ILLINOIS FINANCE AUTHORITY

April 13, 2017
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

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds *Final (One-Time Consideration)*						
1	Benjamin & Amberlyn Wendling	Union Township (Effingham County)	$258,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$258,000**	-	-	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Industrial Revenue Bonds *Final*						
2	Muirfield West LLC (Camcraft, Inc. and Matrix Design LLC)	Bartlett (DuPage County)	$10,000,000	5	30	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$10,000,000**	**5**	**30**	

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

Tab	Project Name	Location	Amount	New Jobs*	Const. Jobs*	Staff
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
3	Pacific Oaks Education Corporation	Chicago (Corporate Headquarters; Cook County) and Pasadena, California	$22,000,000	63	50	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$22,000,000**	**63**	**50**	

HEALTHCARE PROJECTS

501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
4	Westminster Village	Bloomington (McLean County)	$36,000,000	21	74	PL
5	The Lodge of Northbrook, Inc.	Northbrook (Cook County)	$20,160,000	18	75	PL
6	Ann & Robert H. Lurie Children's Hospital of Chicago	Chicago (Cook County)	$225,000,000	N/A	N/A	PL
TOTAL HEALTHCARE PROJECTS			**$281,160,000**	**39**	**149**	
GRAND TOTAL			**$313,418,000**	**107**	**229**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
7	Resolution to Authorize Establishment of the Illinois Finance Authority Green Community Program to Use Available Qualified Energy Conservation Bond Issuance Authority to Finance Energy Retrofit Projects and Energy Conservation and Generation Projects at Facilities Owned by 501(c)(3) Corporations or by For-Profit Companies	RF/BF
8	Resolution Approving the Preliminary Allocation for Bonding Authority of Qualified Energy Conservation Bonds by the Illinois Finance Authority to the Institute of Cultural Affairs and The Ecumenical Institute to Assist in the Financing of the ICA GreenRise Project in an Aggregate Principal Amount Not to Exceed $800,000; and Related Matters	RF/BF
*	Note Regarding New Jobs and Construction Jobs - Pacific Oaks Education Corporation: Estimates are provided by the applicant and pertain to new jobs and construction jobs at the Pasadena, CA campus of Pacific Oaks Education Corporation, and therefore, not jobs in Illinois.	

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
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Date: April 13, 2017

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: Christopher B. Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

Encouraging Industrial Investment and Jobs

The Authority is pleased to welcome ***Muirfield West LLC***, an industrial revenue bond project to be located in Bartlett ***(**the **"Camcraft, Inc. Project")***, to our agenda this month. This is the first new money industrial revenue bond ("IRB") project on the Authority's agenda since giving preliminary approval for an IRB project by The Edlong Corporation in June 2015. The Authority last closed a new money IRB transaction in calendar year 2014 when the Authority was the national IRB leader in the dollar volume issuance.

The ***Camcraft, Inc. Project*** underscores the need to update the nearly 30-year old IRB tool under the federal tax code in order to more effectively retain, attract and generate jobs and investment in the American manufacturing sector. We hope that Congress moves quickly on the Modernizing American Manufacturing Bonds Act ("MAMBA"), H.R. 1115, re-introduced in February 2017 by U.S. Representative Randy Hultgren (R-IL-14) along with Representatives Richard Neal (D-MA-01) and Jim Renacci (R-OH-16). Among other improvements, MAMBA seeks to increase the IRB project issuance limit to $30 million from $10 million and expand the definition of "manufacturing facility" to reflect the twenty-first century economy. If enacted into law, we believe that MAMBA will be an important tool to retain and create manufacturing jobs in Illinois and across the country.

On the topic of new money industrial investment and jobs in Illinois, the Authority closed on $130 million in new money in Federal Transfer Facilities Revenue bonds on behalf of the ***CenterPoint Joliet Terminal Railroad, LLC*** (the ***"CenterPoint Project"***) last month after being approved at the March 9, 2017 meeting. This closing brings the amount of conduit bond proceeds issued by the Authority on behalf of this project to a total of $455 million since 2010. This closing also moves the ***CenterPoint Project*** further towards the estimated 16,600 plus jobs that are expected to be created over the project's development cycle.

While all bond-funded projects should be characterized as qualified successes until the bonds are fully paid off, this month the Authority received positive news regarding a conduit bond project with statewide and even national significance: the ***Prairie Power, Inc. Project*** (also known as the National Rural Utilities Cooperative Finance Corporation ("CFC") Guaranteed Solid Waste Disposal Revenue Bonds, Series 2008A, (the ***"Prairie Power Project"***). In November 2008, the Authority issued $51.2 million of conduit bonds guaranteed through a letter of credit provided by the CFC on behalf of the project. The bond proceeds paid for the solid waste disposal portions of the ***Prairie Power Project*** as allowed by the federal tax code. Accordingly, the Authority's bonds were a comparatively small (but important part) of a much larger and important story: the construction and operation of the Prairie State Energy Campus ("PSEC"), a technologically-advanced 1600 MW electric generation facility located in Washington County, Illinois.

PSEC has been characterized as "one of the largest completed construction projects in Illinois history" and "the largest coal-fired power plant to be built in the United States since 1982." *Sauget and Finkelstein*, Prairie State Generating Company, February 2015; *see also* www.prairiestateenergycampus.com/responsibility/economic-powerhouse). At the height of its construction, PSEC employed more than 4,000 women and men of the skilled building trades. *Ibid.* PSEC is estimated to currently employ over 600 full-time workers and is estimated to stimulate the creation of an additional 800 jobs with a total regional economic impact of $785 million annually. *Ibid.* PSEC contains an on-site underground coal mine with an estimated capacity to fuel the plant for up to 30 years. *Ibid.* Due to PSEC's efficient design, its carbon dioxide emissions are estimated to "be significantly less than the typical U.S. coal plant." (www.prairiestateengerycampus.com/about).

On April 4, 2017, Kroll Bond Rating Agency issued a report affirming its 'A-' rating with a "stable" outlook on the outstanding $46.91 million balance of the ***Prairie Power Project*** bonds. The Authority is proud to have played a role in a project with such large regional economic impact.

Multistate Issuance Power: Protecting Illinois Policy/Supporting Illinois Borrowers

In 2010 and 2013, the General Assembly favorably considered the Authority's request to allow us to issue bonds to support projects as long as there is "a significant presence" within Illinois. See P.A. 98-90 (SB 1603); P.A. 96-1021 (HB 5854). In shorthand, we call this "multi-state authority." We are grateful to the General Assembly for this additional tool because it allows the Authority to both protect Illinois State Policies and to support Illinois borrowers.

We are pleased to welcome ***Pacific Oaks Education Corporation***, a not-for-profit higher educational organization (***"Pacific Oaks"***), to the agenda this month. Located in California, ***Pacific Oaks*** has a significant presence in Illinois through an affiliate. As a result, multi-state authority will allow us to issue bonds for ***Pacific Oaks***, the proceeds of which will be used to finance projects in Pasadena, California. ***Pacific Oaks*** will be the third multi-state project considered by the Authority in Fiscal Year 2017. The first multi-state project in Fiscal Year 2017, ***Ness HealthCare***, closed its transaction in November 2016; the second, ***Franciscan Communities***, is expected to close its transaction before June 30, 2017.

Multi-state authority allows us to serve our Illinois borrowers more economically and efficiently while also maintaining the public policy requirements to which the Authority is subject.

Senior Living/Continuing Care Retirement Communities ("CCRC")

The CCRC is a sector that has brought both impact and bond issuance volume to the Authority. This month, we are pleased to welcome back a CCRC borrower to the Authority, ***Westminster Village*** (Bloomington, Illinois), for a not-to-exceed bond issue of $36 million. We are also pleased to welcome back another CCRC borrower, ***The Lodge of Northbrook, Inc.*** ("***The Lodge"***), for a not-to-exceed bond issue of $20.16 million. Both ***Westminster Village*** and ***The Lodge*** are new money transactions to fund construction projects. With these two projects, the Authority expects to close a total of six CCRC projects with a total dollar volume of nearly $200 million by June 30, 2017.

Innovation and Stewardship

Stewardship of economic development tools and assets is one of the functions of the Authority. Federal Qualified Energy Conservation Bonds ("QECB"), a tool that allows a direct subsidy to a taxable transaction (as opposed to tax exemption), are an example of a limited purpose and to date, one-off program where the Authority has maintained the tool for the right project. ***The Institute of Cultural Affairs*** ("***ICA***"), a not-for-profit, will be using the QECB tool as part of a complex financing to improve and preserve the historic former Kemper Insurance Company headquarters in Chicago's Uptown community. The ***ICA*** project will both modernize the building using innovative energy efficiency methods and restore the building to its former 1920's era architectural glory. The Authority is pleased to be part of this innovative project and hopes that it can serve as a template for other projects in areas of Illinois with their own, yet unused, QECB allocations.

Hospitals and Healthcare Systems: Core to the Authority's Mission and Operations

Since July 1, 2016, the Authority has closed conduit bond issues on behalf of ten Illinois not-for-profit hospitals or health systems with a total dollar volume of over $2.4 billion. Approximately $350 million has been new money transactions to fund new construction.

We are very pleased to welcome the eleventh not-for-profit hospital project, the renowned ***Ann & Robert H. Lurie Children's Hospital of Chicago*** (***"Lurie Children's"***) to the Authority's agenda. ***Lurie Children's*** is one of our state's great assets and serves some of our state's most vulnerable residents. ***Lurie Children's*** is ranked by U.S. News and World Report as the #1 children's hospital in Illinois and #6 in the country. ***Lurie Children's*** is also the only Illinois Children's hospital named to the Honor Roll, which recognizes children's hospitals with exceptional performance in at least three specialties. ***Lurie Children's*** has five specialties in the top 10, including Gastroenterology (#4), Neonatology (#6), Neurology/Neurosurgery (#6), Urology (#7) and Kidney Disease (#10). Founded in 1882, ***Lurie Children's*** is the pediatric training ground for students from the Northwestern University Feinberg School of Medicine. See www.luriechildrens.org/en-us/news -events.

The Authority is proud to assist ***Lurie Children's*** with its refunding of its 2008 Series A and B bonds that were issued to fund the construction of its new state-of-the-art Streeterville hospital.

Federal Tax Reform and Conduit Bonds

The ***Camcraft Project***, ***CenterPoint Project***, ***Prairie Power Project***, ***Pacific Oaks, Westminster Village, The Lodge,*** and ***Lurie Children's*** are great examples of the power of federally tax-exempt conduit bonds to drive private sector job creation and job retention as well as private sector investment. We hope that Congress understands the practical power of federally tax-exempt bonds as it considers comprehensive federal tax reform for the first time in decades. I will provide a collection of documents of interest in connection with federal tax reform under a separate cover.

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

Respectfully,

____

Christopher B. Meister
Executive Director

ILLINOIS FINANCE AUTHORITY

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Date: April 13, 2017

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

Subject: ***Minutes of the March 9, 2017 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 March in the year 2017, 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, March 9, 2017
9:30 AM

AGENDA:

I. Call to Order & Roll Call
(page 3, line 1 through page 5, line 5)
II. Approval of Agenda
(page 5, lines 5 through 17)
III. Chairman's Remarks
(page 5, line 18 through page 6, line 12)
IV. Message from the Executive Director
(page 6, line 13 through page 9, line 21)
V. Consideration of the Minutes
(page 9, line 22 through page 10, line 12)
VI. Presentation and Consideration of Financial Reports
(page 10, line 13 through page 22, line 18)
VII. Monthly Procurement Report
(page 22, line 18 through page 23, line 6)

VIII. Committee Reports
(page 23, lines 6 through 18)

IX. Presentation and Consideration of the Project Reports and Resolutions
(page 23, line 19 through page 65, line 7)

X. Other Business
(page 65, line 8 through page 67, line 18)

XI. Public Comment
(page 67, lines 19 through 20)

XII. Adjournment
(page 67, line 21 through page 68, line 8)

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 March 9 Regular Meeting
2. Voting Record of the March 9, 2017 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING

March 9th, 2017, at 9:30 a.m.

Report of Proceedings had at the Regular Meeting of the Illinois Finance Authority on March 9th, 2017, at the hour of 9:30, a.m., pursuant to notice, at 160 North LaSalle Street, Suite S1000, Chicago, Illinois.

APPEARANCE:

ILLINOIS FINANCE AUTHORITY MEMBERS

MR. R. ROBERT FUNDERBURG, Chairman
MR. ERIC ANDERBERG
MR. JAMES J. FUENTES
MS. ARLENE JURACEK
MR. LERRY KNOX
MR. MICHAEL W. GOETZ
MR. ROGER POOLE
MR. BRADLEY A. ZELLER
MR. LYLE McCOY
MR. TERRY O'BRIEN
MS. BETH SMOOTS
MR. JOHN YONOVER
MR. GEORGE OBERNAGEL (Via audio conference)

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. BRAD FLETCHER, Assistant Vice-President
MR. RICH FRAMPTON, Vice-President
MS. PAMELA LENANE,Vice-President
MS. ELIZABETH WEBER, General Counsel
MR. CHRISTOPHER B. MEISTER, Executive Director
MR. PATRICK EVANS, Agricultural Banker (Via audio conference)
MS. DENISE BURN, Deputy General Counsel
MS. FRANKIE PATTERSON

GUESTS:

MR. TIM LIPPERT, CenterPoint Joliet Terminal Railroad, LLC
MR. MARK DEANGELIS, Integrus Realty

CHAIRMAN FUNDERBURG: Welcome, everyone. Thanks for coming today. I would like to call to order our meeting of the Illinois Finance Authority. I'd like to ask the Assistant Secretary to please call the roll.

FLETCHER: Certainly. The time is 9:30 a.m. I will call the roll of Members physically present

first. Mr. Anderberg?
ANDERBERG: Here.
FLETCHER: Mr. Fuentes?
FUENTES: Here.
FLETCHER: Mr. Goetz?
GOETZ: Here.
FLETCHER: Ms. Juracek?
JURACEK: Here.
FLETCHER: Mr. Knox?
KNOX: Here.
FLETCHER: Mr. McCoy?
McCOY: Here.
FLETCHER: Mr. O'Brien?
O'BRIEN: Here.
FLETCHER: Mr. Poole?
POOLE: Here.
FLETCHER: Ms. Smoots?

SMOOTS: Here.
FLETCHER: Mr. Yonover?
YONOVER: Here.
FLETCHER: Mr. Zeller?
ZELLER: Here.
FLETCHER: Mr. Chairman?
CHAIRMAN FUNDERBURG: Here.
FLETCHER: Mr. Chairman, a quorum of Members physically present in the room has been constituted.
At this time I would like to ask if any Members wish to attend by audio conference.

OBERNAGEL: Yes, sir. George Obernagel because of business.
CHAIRMAN FUNDERBURG: Okay. That being said, welcome, George. Is there a motion to approve the request, pursuant to the bylaws and policies of the Authority?
FUENTES: So moved.
GOETZ: Second.
CHAIRMAN FUNDERBURG: All in favor, please say aye.
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?
(No response.)

CHAIRMAN FUNDERBURG: Okay, thank you.
FLETCHER: Mr. Chairman, Member Obernagel has been added to the initial quorum roll call.
CHAIRMAN FUNDERBURG: Okay. The ayes have it. Thank you. Next I would like to ask for the approval of the agenda.
Does anyone have any additions, edits or corrections to today's agenda? Okay. Hearing none, I would like ask for a motion to approve the agenda.
KNOX: So moved.
JURACEK: Second.
CHAIRMAN FUNDERBURG: All in favor, please say aye.
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?
(No response.)

CHAIRMAN FUNDERBURG: Okay, the ayes have it.
I have just two housekeeping things that you all
have a statement of the economic interest in your
manila folders.
Please go ahead and fill that out, and
then also I want to remind our Board Members that
you also have Open Meetings Act training that you
are responsible for completing relatively soon. So

I just want to remind you of that, and I do believe
-- yes, Ms. Burn?
BURN: I just wanted to mention that the forms
that are included in the Board package are there for
informational purposes only. I'll give a little
speel later on exactly when the form will arrive and
which one you need to fill out.
CHAIRMAN FUNDERBURG: Very good.
BURN: So I think the answer is don't fill out
the ones that are in the book.
CHAIRMAN FUNDERBURG: Very good. Thank you.
That's all I had. Executive Director Meister.
MEISTER: Yes. Thank you, Mr. Chairman.
Welcome. This is a Board agenda that I am
particularly and personally proud of.
I think, number one, as I mentioned in the
message from the Executive Director, and this IS A
compliment to all members of the Illinois Finance
Authority staff team, we have closed just over
$995,000,000 of new money projects since July 1st.

That is close to a billion dollars.
They have touched nearly every part of the
state. It's obviously substantially more, just over
$3.4 billion in total issuance. A lot of those is

refunding, but a new money issuance, as the Board
Members know, is generally new construction,
rehabilitation of existing structures or land
purchases.
It is a tremendous accomplishment, and I
thank the staff team. Number two, just given the
nature of our tool conduit financing, there are
places in the state where, frankly, it is not the
most ideal tool to have projects.
And I think we're fortunate today that
we've got two projects that are located in parts of
the state that sometimes conduit tax-exempt
financing is difficult to reach.
I'll start with there is a former Board
Member of ours, Dr. Roger Herrin, some of the
longer-tenured Members will remember him. He hales
from Harrisburg, Illinois, and we have the
Harrisburg Medical Center.
The last time the Harrisburg Medical
Center was issuing tax-exempt bonds, it was from one
of our predecessors, the Development Finance
Authority in 1993.
Dr. Herrin also was the Vice-Chair and the
head of underwriting on the very first healthcare

conduit issuing organization authorized by the General Assembly in the 1970s. He told me that Harrisburg Hospital was bond issue No. 5 in the '70s, and he's promised to show me the front page of the official statement.

But Harrisburg is in true Southern Illinois, south of U.S. 64, and we're very pleased to welcome them to the agenda.

Moving a little bit north, but also keeping in the southern theme, we also have the BHF Project, which is 45 residential housing projects, the majority of which date -- were built before 1930, and this is preservation of these projects, 45 different buildings, hundreds of units on the south side of Chicago.

So from 1524 East 73rd Street on the south side of Chicago to Harrisburg. It's about 334 miles from Quincy to Rockford, where we have two resolutions. It's 268 miles. And from Ford County, on the Indiana border to Qunicy, it's 221 miles, and we have a beginning farmer bond from Ford County.

So this is just a reminder of how big this state is. How we're fortunate to have a tool that allows us to touch every part of it.

And one final thing, because we have talked about water projects time and time again. In

the message from the Executive Director, I will direct people to visit www.greatriverchicago.com.

This is a website. We've got a couple copies of the reports that the Metropolitan Planning Council has put up. This is what it looks like.

But between the Clean Water Initiative, the State Water Revolving Fund, and various local government direct loans, conduit bonds that we've done through Illinois on behalf of Illinois American and Aqua Illinois, and some special limited-purpose programs that we've worked with the Metropolitan Water Reclamation District on the amazing things that have been done to make rivers, the Chicago River, and the Des Plaines River in northeastern Illinois, more usable, more environmental and an engine for economic growth is pretty amazing.

It has a bright future, and we played a small part through the financing in making it happen.

CHAIRMAN FUNDERBURG: Okay, thank you. Next is consideration of the minutes. I would like to ask if anyone wants to make any additions, edits,

corrections to the minutes from February 9th, 2017?

Hearing none, then I would like to ask or request a motion to approve the minutes. Is there such motion?

GOETZ: So moved.

OBERNAGEL: Second.

CHAIRMAN FUNDERBURG: Mr. Obernagel seconds.

All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay. Motion carries. Next is the financial reports. Ms. Patterson?

PATTERSON: Mr. Chairman, Members of the Board, good morning. My name is Frankie Patterson, and I will be presenting the financial statements for the accounting period ending February 28, 2017.

The financial information provided is estimated and is not final, which is due to the short time period between February 28th and the printing of the Board book.

THE Authority's general operating fund is as follows: Estimated total annual revenues equals $4.1 million and are $791,000 or 23.9 percent higher

than budget, due primarily to higher closing fees.

In February, the Authority generated $313,000 in closing fees, which is $22,000 higher than the monthly budget of $291,000. Total estimated annual expenses equal $2.2 million and are $1.1 million or 33.8 percent lower than budget, which was driven mostly by vacant budgeted staff positions and a reduction in spending on professional services.

In February, the Authority recorded estimated operating expenses of $256,000, which is

$156,000 lower than the budgeted amount of $412,000. This variance is due to employee-related expenses and professional services.

Estimated total monthly net income for February is $113,000. Estimated total annual net income is $2.5 million. The major driver of this annual positive bottom line continues to be the level of overall spending at 33.8 percent below budget, as well as higher closing and administrative service fees.

If there is a significant variance between the estimated February 28 financial information, and the final February 28 financial information, it will

be addressed at next month's Board meeting.

The Authority continues to maintain a strong balance sheet. The general prime has a net position of $56.3 million. Total assets are at $56.7 million, consisting mostly of cash, investments and receivables.

Unrestricted cash and investments totaled $41.8 million. Receivables totals $15.3 million, of which $12.1 million is from the former Illinois Rural Bond Bank, our local government program.

Under this program in February, the Authority received semiannual payments of principal and interest in the amount of $4.3 million.

The State of Illinois find purchased receivables report can be located in your Board books under the financial statements tab. The outstanding balance in these receivables was at $94,000.

As mentioned last month, the Authority received a payment in the amount of $2.5 million from the City of Chicago for a loan payment from the Illinois Housing Partnership Fund that dates back to 1986.

The outstanding balance on the loan, due

to the right balance of uncollectibles, was $2.3 million. This generated a recovery of bad debt of $119,000. Also in February, the Authority disbursed $646,000 to Loyola Stritch Medical School for 12 students for the academic school year 2016 through 2017 under the Deferred Action for Childhood Arrival, known as the DACA Program.

The entrance conference for the fiscal year 2017 audit is scheduled for April 19 at 2:00 o'clock p.m. This marks the beginning of the one-year financial audit and the two-year compliance examination for period ending June 30, 2017. This concludes the financial presentation.

Are there any questions?

YONOVER: When do you expect to receive the last of the $94,000 from the State of Illinois?

MEISTER: Good question. The short answer is we don't know, but this was a combination of things we had received checks as recently as December.

A number of the obligations that are

outstanding, that there was something that was complicated or unusual on the original agency end. There may have been a payment that had been going through separately.

We've been working with the agencies and the Governor's Office to identify them.

YONOVER: Is this net of interest or is this just principal?

MEISTER: I think it is primarily principal. We still owe-- we're still owed some statutory Prompt Payment Act, but the Statutory Prompt Payment interest is a separate stream of revenue.

And I believe that the way that we have these transactions documented, that there may -- that there will be a different line of payment that may lead through the State Court of Claims ultimately. Hopefully, we can avoid that.

YONOVER: And I'm just a bit confused on this report, because it shows balance due from Kelner, which is one of the payables?

MEISTER: Yes.

YONOVER: So the State of Illinois will ultimately pay Kelner, and then Kelner will have to pay us back?

MEISTER: That is one of the complex items. We had been assigned a receivable; and then separately, while that transaction was going on, there was separate payments on that same receivable. And so

we've been working, frankly, for a number of months to work that out.
YONOVER: So in this particular case, this vendor was paid twice?
MEISTER: Yes.
YONOVER: That's not good.
MEISTER: No.
YONOVER: Is that part of the $94,000?
MEISTER: Yes.
YONOVER: The majority of what we're still owed is from private enterprises?
MEISTER: Yes. And, again, these are long-term vendors who are constantly getting revenue streams from the states for goods and services. On the flip side, we do have offset powers and things like that, but we're still working through those.
The additional complexity is that the impasse budget ended on December 31st. So obviously there have been robust discussions down in Springfield, and I would prefer not to predict any outcomes.
But I think that, by and large, we will continue to work on these issues to resolve them, and at this time I don't believe that we are headed

for any loss. If that changes, I will share those facts with the Board.

YONOVER: One last question. Sorry to belabor this, but I just want to understand it. So this indicates $61,000 from Kelner, and then this last spender, Cisco St. Louis, is that another situation where they were paid?
MEISTER: Yes.
YONOVER: So, really, the State of Illinois doesn't owe us money, these two vendors do?
MEISTER: Yes, but the reason why we became involved was to help various state agencies manage their essential services vendors.
And so they've been in a -- again, I've not been in direct conversations with these vendors or with the State agencies.
Elizabeth, our General Counsel, who I've asked to attend a Bond Lawyer's Conference to update on legal development, but she's the one who typically has these conversations, but it's -- I think it's fair to say it's probably a joint vendor State agency responsibility to resolve these.
YONOVER: Okay, thank you.
GOETZ: Chris, is there a possibility we're

going to be asked for more money?
MEISTER: There is always that possibility. In fact, I received a very preliminary inquiry on this point yesterday afternoon.
I made a request for a number of additional facts; and as the Chairman, and I have said in the past, if we receive more requests, we

will share those and present the facts to the Board.

GOETZ: Okay.

CHAIRMAN FUNDERBURG: Any other questions?

PATTERSON: I will now turn the podium over to Executive Vice-President Lenane, who will summarize the 1985 pool, which is a legacy program of ours.

CHAIRMAN FUNDERBURG: Good. Thank you.

MEISTER: And as Pam approaches podium, I just want to note that with tax reform being discussed in Washington, the longevity of our organization, and it's predecessors, and as we've highlighted a couple of matters from deep in the past in the '80s, just underscores the important of the work that we do, and I think this is a particular success.

LENANE: Thank you, Director Meister. If you go to right at the end of the financials, there's a memorandum that I prepared.

Well, in December of 2016 and December 2017, the Authority distributed $4,872,307.83, from the 1985 Revolving Pool Financing Program to Illinois healthcare providers.

And if you go to Exhibit B, I've got an attachment in the exhibit of the memo. This is Attachment B. There's a long list of hospitals that we distribute these monies to.

During the course of the pool, 175 loans were made to healthcare borrowers. This occurred prior to the enactment of the 1986 Reform Act. In

1985, they knew there were going to be a lot of restrictions on tax-exempt financing.

So our predecessor of the Authority, the Illinois Health Facilities Authority, issued a revolving pool of $175,000,000 to make loans to hospitals and healthcare institutions.

The bonds were short-term variable rate debt, and the average interest rate over the 30 years was 3.5 percent. So it was very affordable. I mean, some years, as it was tied to SIFMA, some years the interest rate was as low as 1.5 percent, and a lot of hospitals used it for short-term money, like, to begin construction, before they did their

bonds.

Also, there were many advantages prior to the 1986 Reform Act. You could issue a blind pool; in other words, a pool where the borrowers hadn't been identified. You can't do that anymore.

You could also use -- there were tax-exempt purposes you could use this for, that you could no longer do anymore, like medical office buildings could be financed.

Also, there was no use for life calculation of assets and there was no arbitrage. So, really, I mean, prior to the 1986 Reform Act, there were a lot of nice things for hospitals and healthcare institutions.

So at consolidation, the Illinois Finance Authority took over the administration of the 1985 pool. This administration of the pool indicates -- shows our stewardship of prior Authority's programs, how this program long predates the four points in the strategic plan.

We feel that it certainly met those principals. The program was firmly within the Authority's statutory mission. The degree of potentially -- of particular risk was truly shared

with the borrower.

The fees were priced consistently with short-term and long-term program burden, and this was a program that only the Authority could have done.

And during the 30 years, there were no defaults on any loan, which is amazing. So -- but when a consolidation, when the Authority took over the pool, we examined the fees within the structure of the pool and found that we could save a lot of money by lowering those fees through negotiation with banks and remarketing agents and trustees.

And so by reducing the fees internally in the pool structure, we were able to pay the borrower, lower the fee to the borrower, and pay ourselves a fee.

So over 10 years, the Authority has collected approximately $1.2 million in fee income, and you could see that on Exhibit A, which is on the back of the memo, and that amount was tied to the

amount of the pool loans outstanding.

And when we took it over, we looked on the debt service reserve, which was 10 percent of the originally-issued amount of the bonds. It came

down. But in 2004, it was about $15,000,000.

So when we took it over, that wasn't earning any interest. So we did an RFP. We hired a professional money manager, and we also determined that you could invest money that wasn't currently being lent out, you know, sort of -- well, the funding -- the professional money manager did this.

But we figured out if money wasn't going to be loaned out for a year, it should be invested for year or if it was six months. So we made some estimates there.

And then at the end, when the pool terminated, and the last loan was paid off, there was $4,872,307.83, which is remarkable, really.

Most of these pools zeroed out. They had nothing in them. Some even cost us money to get out of at the end.

MEISTER: Legal fees, primarily.

LENANE: Yes, primarily legal fees. But this really was remarkable, and I congratulate myself for investing the money; but the trustee, Wells Fargo, has been on the '85 pool since its inception. And Dan Bacastow at Chapman has been the lawyer for the '85 pool since its inception.

So we had a lot of historical knowledge to use and to work on, and it was very successful. I'm sort of sad to see it go, but that's it. Any questions?

CHAIRMAN FUNDERBURG: Okay, thank you. Any questions for Ms. Patterson or Lenane?

Okay. If not, then, I would like to ask for a motion to accept the financial reports. Is there such a motion?

GOETZ: So moved.

JURACEK: Second.

CHAIRMAN FUNDERBURG: All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay. Thank you. Motion carries. Next up, Deputy General Counsel Burn.

BURN: Good morning. The focus for procurement continues to be finalization of the legal services competitive bid process, and the procurement by appropriate means of certain professionals in connection with the upcoming State revolving bond issuance, which we will discuss later in connection

with certain resolutions.

Does anyone have any questions on the

procurement report? Having said that, that's it then.

CHAIRMAN FUNDERBURG: Okay, thank you very much. Next up are Committee reports. Mr. McCoy?

McCOY: Thank you, Mr. Chairman. The Tax-Exempt Conduit Transaction Committee met earlier this morning and voted unanimously to recommend approval for each of the Tax-Exempt Conduit Transaction matters on today's agenda, including two beginning farmer bonds, CenterPoint Joliet Terminal Railroad, LLC; BHF Chicago Housing Group; Montgomery Place; Franciscan Communities; Harrisburg Medical Center; POB Development, LLC, Project; and the Northern Illinois Conference of the United Methodist Church.

CHAIRMAN FUNDERBURG: Okay, great. Thank you. Next, then, I would like to ask for the general consent of the Members to consider the Project Reports, which are up next, and Resolutions, collectively; and to have the subsequent recorded vote applied to each respective individual Project and Resolution, unless there is any specific Project

Reports and Resolutions that a Member would like to consider separately.

Are there any? Okay. If not, then, I would like to go ahead ask the staff to present the reports. Patrick, I think you are up first.

EVANS: Good morning. Today we have two beginning farmer bonds. Both bonds will have mortgage position. The first one is Jacob A. Birch, who is purchasing 61 acres of bare land. Total cost of this purchase is $496,592 for $8,141 per acre.

The Vermillion Valley Bank will be the only lender related to this purchase. IFA will provide a beginning farmer bond to this bank for 58 percent of the purchase price or $287,500.

This will be a first mortgage position on 61 acres. The bank would have a second mortgage position for 19 percent, with the borrower injecting 23 percent of equity. Terms of the bonds -- the term of the bond are identified in the write-up. The property is located in Ford County.

The second is to Kevin Timothy Thole, who is purchases 40 acres of farmland and real estate. Total cost of the purchase is $140,000; however, the farmland is valued at $70,000.

Bradford National Bank of Greenville will retain 50 percent or $70,000 of the purchase price. IFA will provide a beginning farmer bond to the bank, who will maintain a first position on 50 percent of the debt.

Basically, IFA will be -- will have the bond for the bare land value. The bank will utilize the FSA 5/45/50 beginning loan program, and the terms of the bonds are identified in the write-up. The property is located in Southern Montgomery County.

CHAIRMAN FUNDERBURG: Okay.

EVANS: Any questions?

CHAIRMAN FUNDERBURG: Questions? Okay, thank you, Mr. Evans.

EVANS: Thank you.

FRAMPTON: Good morning. I'm Rich Frampton. Next we'll move on to tab 2 and one-time consideration of a Final Bond Resolution for CenterPoint Joliet Terminal Railroad, LLC, in a not-to-exceed amount of $150,000,000.

CenterPoint Joliet Terminal Railroad, LLC, is requesting approval of a Final Bond Resolution for the issuance of surface freight transfer

facilities revenue bonds in an amount not to exceed $150,000,000.

Bond proceeds would be used to finance the fourth series of bonds that the Authority has issued on behalf of CenterPoint since 2010 under the U.S. Department of Transportation Private Activity Bond Program that was established in connection with the 2005 Surface Transportation Act.

The anticipated issuance amount is $130,000,000. And following issuance of the proposed 2017 bonds, the Authority will have issued $455,000,000 of bonds for CenterPoint Joliet intermodal facility since 2010.

In terms of prior Board actions and voting records, those are noted on page 2 of your report. Under the sources and uses of funds, you can see the history of the four financings we've done today, beginning with the $150,000,000 issuance in 2010.

Like the prior bond issues, this series will be underwritten and privately placed by Sun Trust Robinson Humphrey to members of CenterPoint's banking syndicate led by Sun Trust.

The other members -- the other anticipated members of the banking syndicate are listed at the

bottom of page 9 and include Regions Bank, PNC, BB&T, U.S. Bank and Bank of America.

So from the Authority's perspective, this is purely a conduit transaction. The banks purchasing the bonds will be assuming all bondholder risk.

In terms of the project, itself, there is a map and diagram of the project on page 11 of the report. The IFA bond issues have all focused on financing the Union Pacific portion of the CenterPoint facility. So that's everything north of the U.S. Army boundary area.

Separately, CenterPoint has also developed the BNSF Logistics Park in the Village of Elwood. In terms of financial performance and forecast, those are reported for indicative purposes on page 12 of the report. You can see that that debt service coverages are strong and what you would expect of a project owned by a real estate investment trust.

CenterPoint is a private real estate investment trust. It was a public company up until 2006. In 2006, CalPERS took it private. Their current equity partner is GI Partners in Mandela

Park, California.

Ownership information on the members of the CenterPoint Joliet Terminal Railroad, LLC, are noted on page 9 of the report. On pages 8 and 9 of the report, there is a history of the project that reports the key steps that have occurred along the way.

Finally, just in terms of job creation and investment, this project obviously has been a rousing success. Page 4 of the report, current jobs. There is currently 8,705 full-time jobs attributable to the CenterPoint facility.

That compares to 6,825 the last time this was presented for an inducement resolution in October of 2015. So the account is up by nearly 1,900 just since October of 2015.

So with that, we recommend approval. We expect to close the bonds actually later this month. And with that, I'll conclude my remarks and open the floor to any questions you may have.

Hearing no questions, I would just like to introduce Tim Lippert, who is Vice-President of Finance with CenterPoint.

LIPPERT: Hi. I would just like to thank Rich and the staff of the IFA and the Board of Directors for continuing to support CenterPoint and helping us finance the build-out of our projects out in Joliet. Thank you.

CHAIRMAN FUNDERBURG: Thank you. You're welcome.

FRAMPTON: Okay. With that, we will move on to tab 4 in your book, which is also a one-time Final Bond Resolution for BHF. BHF stands for Better Housing Foundation.

The borrower is BHF Chicago Housing Group B, LLC. The project will be referred to as the Better Housing Foundation Icarus Portfolio. The not-to-exceed amount of the Final Bond Resolution is $55,000,000.

This financing will represent the second transaction that we have considered for the Better Housing Foundation. The first was approved by the Board last April, and ultimately resulted in the issuance of bonds for a 13-property portfolio with 262 residential units.

Those bonds were investment grade rated by S&P at BBB and BBB-. The total amount of that bond issue was just a little over $13-and-a-half million.

And just for reference, the appraised value of those properties was roughly $15,600,000. So the bonds

represented an 87-percent advance rate on the appraised value.

As with the first Better Housing Foundation transaction, this is a portfolio acquisition of 45 properties. The 45 properties are identified on page 15 of your report. There is a map of where the 45 properties are located on page 17 of your report.

Across the 45 properties, there are 516 units that will be dedicated for rental to qualified low and moderate income households. Because tax-exempt bonds are being issued, the owner will have to assure that the projects satisfy the minimum income requirements that are specified under the Internal Revenue Code.

Additionally, pursuant to the Better Housing Foundation's mission, there will also be a land-use restriction under a tax regulatory agreement that will assure that a minimum of 75 percent of the 516 units shall be allocated to lease to low and moderate income individuals earning less than 80 percent of the area gross income.

In terms of the unit mixes, those are reported on pages 11 and 12 of the report. Specifically, out of the 516 units, 440 out of the 516 are two bedrooms or larger, and 116 out of the -- I'm sorry, 166 out of the 516 are three bedrooms or more. And all together, there are 34 units that are four bedrooms or larger.

So in contrast to the project that we financed last year, this project has a far higher concentration of two bedroom and larger projects. The 2016 project was roughly 50 percent one-bedroom units. So as a result of that, these units are more desirable; and as a result, they also appraise better.

In terms of occupancy rates, those are reported on page 12 of your report. In 2015, the properties reported 93.8 percent occupancy. Last year was at 95. Currently, as of March 1st, it's 95.3 percent occupancy. So these properties are stabilized.

None of these properties have HUD contracts. All of them are voucher -- 42 out of the 45 projects currently have HUD housing choice vouchers on them. And as we learned, in connection

with the first project, managing HUD housing choice voucher properties is a specialty area for the property manager, Integrus Realty. Integrus Realty was also involved as the contractor and manager for the Better Housing Foundation's 2016 transaction.

In terms of the financial forecast, and the underwriting of the project, these bonds will be rated by S&P. They have applied for a rating. It's my understanding that an S&P analyst will be visiting the properties later this month.

An assignment of ratings is anticipated

realistically probably sometime next month; and the target ratings on the two series of bonds, based on the debt service coverages, are A+ and BBB-.

Also, within the assumptions is a reasonable vacancy collection loss rate, particularly based on the historical performance. And one thing just to note, S&P has their own methodology, in terms of how they evaluate appraisal reports.

Among other things, it's my understanding that they assign a fixed-cap rate to all the properties of 7 percent. So as a result of that, S&P's appraised values will end up being higher than

the value reported on page 22 of the report.

And in connection with our transaction last year, we issued $13,560,000 against an adjusted appraisal amount of $15,560,000. So it was roughly 87 percent.

But those are the primary considerations, in terms of the project. Just one other comment on the appraisals and property trends, middle of page 22. The vacancy rate -- these are considered Class B and C properties.

The vacancy rates have fallen from 5.7 percent to 1.6 percent for roughly half the properties, and they have fallen from 5.7 percent in 2006 to 2 percent for most of the property. So the fact that these have been reporting 5-percent vacancy rates is in line. The fact is few new housing units are being -- affordable housing units are being added to the housing stock.

One other comment on these projects, roughly 6 out of the 45 properties actually involve de-conversion from condominium units; and as a result, the de-converted units have a much higher quality interior finishes than one would normally expect on an affordable housing property.

So with that, I will conclude my remarks. I would also just like to introduce Mark DeAngelis, who is the President of Integrus Realty, who is also here to respond to any questions you may have.

GOETZ: I don't have a question. I would just like to compliment you for being a part of this. I think this is a great project and very proud that the Finance Authority can help out in this great effort.

DeANGELIS: Thank you very much. I would like to thank Rich, Brad and staff. As you see, you know the numbers probably better even than we do. He really dealt with them.

I know he's done a great job making presentation to you folks. But again, if you have any questions, we would certainly be available to answer, but we look forward to developing this relationship.

I know housing isn't something that the

IFA actually focused on over the years. It's a lot recently, and we hope to probably add 1,000 to 1500 units a year in the foreseeable future. Everything here in Illinois, we'd love to do it with you guys.

GOETZ: We are here to help.

DeANGELIS: Thank you. I appreciate it.

CHAIRMAN FUNDERBURG: Any other questions or comments? Okay, thank you.

FRAMPTON: Okay, thank you.

LENANE: Tab 4 in your book is Montgomery Place. Montgomery Place was here last month. It's a continuing care retirement community located in Hyde Park, and they are requesting a Final Bond Resolution to approve the issuance of a series of tax-exempt bonds in an amount not to exceed $40,000,000.

These bonds are being sold to currently refund the IFA Series 2006A bonds and will be sold in a public underwriting by Ziegler. Since the February meeting, Montgomery Place has determined not to do a direct bank purchase for approximately $7,000,000 for new money purposes, which was included in the February report.

The bonds will not be rated and will be sold in denominations of less than $100,000. The borrower is requesting a waiver of the policy requiring non-rated bonds to be sold in $100,000 denominations because the bonds are being refunded.

The bonds are being refunded for a present value savings of approximately $1.9 million. At the end of their fiscal year, Montgomery Place had good debt service coverage of 1.53 and 424 days cash on hand. Any questions? Okay.

CHAIRMAN FUNDERBURG: I have a question regarding the exception they are requesting regarding the denomination amount. Do you have an opinion on that?

LENANE: Oh, yes. Yes, for sure. We have non-rated bonds, according to our policy, are not to be sold in less than $100,000 denominations because the thinking based on that is that it will be sold institutionally or to sophisticated investors if it's $100,000 or more, but this is a refunding.

So bonds have already been sold in lower denominations and those lower denominations have to be refunded. So there is an exception to the policy, if you have met certain requirements.

You would have to have no defaults in your past history, and that bonds have to be refunded for savings. And so, no, I think it's a good idea, our exception to the policy.

CHAIRMAN FUNDERBURG: Okay, thank you. Thank

you.

LENANE: Okay. Tab 5 is Franciscan

Communities, Inc. Franciscan Communities is another CCRC, and they came in January for their Preliminary Bond Resolution.

They are now requesting final bond resolution to approve the issuance of a series of tax-exempt bonds in Illinois, Indiana and Ohio, using our multi-state legislation, in the amount of approximately $100,000,000, a portion to be sold in a public underwriting by BB&T, and a portion to be directly purchased by a bank or banks to be selected by Franciscan.

The bond proceeds will be used to refund all or a portion of the IFA bonds 2004B, the 2007A bonds and the Series 2013 bonds in the County of Cuyahoga, Ohio Healthcare Facility's bonds 2004C and D.

Bond proceeds will also be used to finance or reimburse Franciscan or University Place, an affiliate of Franciscan, for the cost of new projects, which will produce 20 construction jobs.

Franciscan has locations in Chicago, Lindenhurst, Lemont, Wheeling, Homer Glen, Crown

Point, West Lafayette, Indiana, and Parma Ohio.

These facilities operated by Franciscan and University Place consist of 1,948 units, totaling --including 476 entrance fee units, 257 rental independent living units, 339 assisted living units, 68 memory care units and 808 skilled nursing beds.

The bonds have just been rated triple B- stable by Fitch. At the end of the fiscal year 2016, Franciscan has good debt service of 2.09 and 267 days cash on hand.

The purpose of the refunding is to take advantage of today's low interest rates and to allow them to borrow an additional $15,000,000 for the new money projects by refunding at a lower rate and structuring of the amortization.

Any questions? Okay. Tab 6, which is Harrisburg Medical Center, which the Director mentioned, and we're very happy to have them at the Finance Authority, they were requesting a one-time Final Bonds Resolution to approve the issuance of a series of tax-exempt bonds in an amount not to exceed $20,000,000, to refund certain taxable bonds and to fund new money projects.

The new money projects include relocation and renovation of the emergency department, modernization of the existing -- of the existing emergency department's base for surgical and recovery suites, construction of an additional surgical suite, a cardiac rehabilitation suite, a hospital registration space and a parking lot.

These projects will produce 45 construction jobs and 25 new jobs. Harrisburg operates a hospital facility, of course in Harrisburg, that is licensed for 77 beds with 46 --

including 46 short-term acute care beds and 31 psychiatric beds currently in service.

The bonds will be purchased by People's National Bank in Harrisburg. Harrisburg has good debt service coverage of 2.05 and 73.5 days cash on hand.

Now, if you look at a page in this report, if you look at page 5 of the report, you'll see the service area and the counties that are within the service area. They have stars here, White County, Saline County -- page 5 -- White County, Gallatin, Saline, Pope and Hardin.

So they have a wide area that they

service. Jim Broeking, the bond counsel, is here today, if you have any bond counsel questions.

MEISTER: Raise your hand, Jim.

LENANE: So, as I said, as the Director said, we're very pleased that they came to us, and I thank everybody involved for getting us involved. Thank you, Jim. He also helped. So any questions?

CHAIRMAN FUNDERBURG: Great. Great. Thank you.

LENANE: Thank you.

FLETCHER: Okay, next we have two resolutions I'll be presenting very briefly. Tab No. 7 in your Board books is a Final Bond Resolution on behalf POB Development, LLC, in a not-to-exceed amount of $10,000,000.

POB Development is seeking to refund its outstanding 2012 midwestern disaster area revenue bonds and issue a new 2017 bond, which will be purchased by its new relationship lender, Midwest Bank Centre out of St. Louis.

As some Members may remember, MDABs are a since-expired conduit tax-exempt bond product. The Congress authorized it because of the severe 2008 floods that occurred across the midwest.

At the time utilizing this limited time bond product, POB Development issued its $10,00,000 in 2012 to finance the cost of constructing and equipping a medical office building located in Qunicy, Illinois, adjacent to two existing office buildings on the Blessing Hospital Campus.

The 60,000 square foot three-story building was leased to Blessing Hospital; and as a result of that, in fact, the hospital is considered a principal user for tax purposes.

The owners POB Development, LLC, which was a special entity formed to develop and construct this office building, are employees of S.M. Wilson & Company, which is engaged by Blessing Hospital to be the general contractor and developer of the office building.

Finally, I did want to point out that it should be pointed out the borrower has limited options for the outstanding debt, because the bond product has since expired, essentially all they can

do is refund the outstanding debt, without stretching out the weighted average maturity.

Because of the nature of this transaction, we're going to offer our discounted fee, given the

outstanding amount just under $10,000,000. Our estimated close fee will be approximately $10,000.

Any questions? Okay. Moving ahead to tab No. 8 in your Board book is a Final Bond Resolution on behalf of Northern Illinois Conference of United Methodist Church.

United Methodist Church originally issued its Series 2007 bond in a not-to-exceed amount of $3.4 million to finance the cost of constructing and equipping an approximately 26,000 square foot multipurpose community center and parking area in Machesney Park in Winnebago County.

Northwest Bank of Rockford was the original lender of the 2007 deal and continues to hold the bond as an investment. United Methodist Church operated the project as a multipurpose community center, as originally contemplated until this past October, at which point it sold the project to Easter Seals Metropolitan Chicago.

Easter Seals began utilizing the building as a school for children with disabilities and special needs. So as a result, the Northwest Bank of Rockford is seeking your consent by approval of this resolution to assign all obligations under the existing bond documents to Easter Seals; and, likewise, release United Methodist Church from any and all obligations going forward.

I should point out at this time as of March 1st, approximately $2.5 million of the original $3.4 million remains outstanding.

As far as Easter Seals, they are a previous borrower of the Authority themselves issuing approximately $9,000,000 in 2007 to develop a therapeutic school and autism research center on the Illinois Medical District Campus, which is located on the near west side.

So as a current borrower of the Authority, and one we can expect to see in the near future, we're treating this assignment as a technical amendment to provide good customer service. We're going to provide this approval at a discounted fee, which is zero.

I can take any questions. It's something we don't usually see, but I think it works out. It's a good amicable solution. Thank you.

BURN: I'll be presenting for approval of the remaining three resolutions in the books at 9, 10 and 11 tabs all of these concern procurement issues.

And I just say as an overarching comment, with respect to all three resolutions, that the

activities that approval is sought for will all be accomplished in accordance with procurement regulations, whether that be through a competitive bid process, or sole source, or some sort of procurement methodology, which is the most efficient, and also the most cost-effective way of achieving of them.

The first resolution in tab 9 seeks approval to go forward with procurements with respect to the State Revolving Fund and Clean Water Initiative. A series of professionals need to be procured with respect to that transaction.

Notably, the underwriters, which we will achieve through a competitive bid process and a series of other professionals, including bond counsel, trustee, rating agencies, et cetera.

What the resolution seeks authority for the Executive Director and the Authority to go forward with those procurements. Any questions with respect to that resolution?

KNOX: When do we expect the procurements to be released to public notice?

BURN: In terms of the RFP for the underwriters, it should be within the next week or so, I would imagine. I don't think it's --

MEISTER: Yes.

BURN: You know, within the next week, actually, is we're hoping for.

KNOX: And that is publicly disseminated?

MEISTER: Yes.
KNOX: And we post it to bond buyers?
BURN: It's a competitive bid process.
KNOX: It's competitive? Everybody gets notification?
BURN: Yes. Well, the RFP will be published on the Illinois procurement bulletin.
KNOX: Yes.
BURN: Which, you know, a lot of folks keyed into that, so they actually receive notice when something is posted.
We also generally will look at the file and see who else responded in the past, or who is an incumbent underwriter, and we disseminate the information to them at the same time as publicly posted. So there is a wide dissemination of information.

KNOX: Similar with the other professionals, trustees, legal?
BURN: You know, it really depends on how they are procured. For example, if the Authority is not actually making a payment, with respect to those professionals, it generally is not something that would necessarily be caught within the procurement requirements.
However, there is a borrower, and obviously a lender, that are concerned with those, you know, the actual procurement. So to the extent

that it is a procurement that we would be paying money with respect to, and involved in, then there are other methodologies other than an RFP.
But, again, if we're procuring, whether it's with an RFP, or just simply a notice, we will -- we are required to disseminate to other than just one person. So it's, you know, it's as wide a distribution as we can achieve.
KNOX: Okay.
MEISTER: Just before we move this topic, and this was an addition in the manila holder, we added four words in Section 2 under the types of professionals to include "lending or banking

services."
This is within the open meetings notice requirement, but we wanted to highlight this to the Board because last year, when we were doing the Clean Water Initiative and State Water Revolving Fund, we had used an older competitively procured set of contracts, and there was a limitation in contractual language to underwriting services.
And one of the possibilities that arose was that if there was a delay in the timing of the closing of the public offering, that we might have needed some sort bridge loan or bridge financing.
And that was a little bit of a procurement wrinkle and we intent on this document, that's going to be publicly disseminated, to include language to allow lending banking services as part of or in

addition to underwriting services.

In addition to that, as Denise noted, and I think it's important for potential vendors to understand, State law controls this process. The Chief Procurement Officer, which is a State statutory entity, sets the rules and controls this, and they have deemed the -- is it a web portal?

What is the website where they have to --

where potential vendors need to go and put in all of their information and register for.

BURN: That's called the Gateway, Procurement Gateway, which is different than the Illinois procurement bulletin.

Being registered in the Gateway means that the kinds of extensive registration form that you would have to complete, in connection with any RFP, is considerably shortened because you've already input all of that information or most of it.

So, essentially, what you're doing, then, is certifying to information in the Gateway. We encourage vendors to register in the Gateway.

MEISTER: Yes.

KNOX: Is there a link from our site, from the IFA website, to the Gateway into the procurement portals, to make it easier for vendors to find it?

BURN: I don't know that we link. I don't think we link to them.

FLETCHER: There is a link at the bottom of our

home page. It doesn't necessarily link to SRF link.

KNOX: I understand, but to Gateway and to the RFP?

BURN: To both Gateway and the procurement? I

apologize, I don't know the answer to that.

MEISTER: We will figure out how to do that, and if that is possible to do, and we'll advise the Board before this gets disseminated within the next week or two.

I think it's important, while we do some direct outreach with people that we have contractual relationships with, but the procurement regulator's preference, over a period of years, has been to drive potential vendors to the Gateway to do their registration there and to have one central pipeline for all opportunities.

So we've been trying to do that, and that's been since the statutory procurement reform a number of years ago.

BURN: It's been very successful, too, I think in connection with the legal services RFP, which we just did. We found -- we had done an amendment last year, and there was a significant portion that were not covered or not registered in the Gateway.

And this time we found, you know, at least in excess of half of them, and maybe more, actually, had chosen to register in the Gateway because it's significantly easier than the kinds of forms that, you know, have to be filled in every time you respond to an RFP.

KNOX: One last question, just for clarification. As we run these processes, do we create a pool of qualified vendors, whether it's legal service professionals, underwriters or other professionals to help us with our offerings for what we pay, and we can then choose the vendors that work with us from a pre-defined pool that go through this process?

BURN: We certainly do, with respect to the underwriters and banking services that we will be doing. Some of the -- you know, if it's appropriate, and we are procuring with respect to a number of people, that's how it would be done.

It's a little more interesting when you think of rating agencies because, of course, there's not -- you don't have a pool. It's the same folks who come up again and again.

So, in part, it depends on the kind of professional that's being -- like, for example, road show professionals, that may be something that the underwriter -- and, in fact, we anticipated it would be something that the underwriters would be very

interested in and would have, you know, input with respect to that, including -- primarily because

3-9-17-1.txt

those kinds of professionals are paid out of bond proceeds, which makes it a little different form the procurement perspective.

KNOX: Understood.

BURN: To the extent that there's an RFP and, you know, pool of professionals, we definitely, you know, established a list of approved people.

Not everybody who is on that approved list would obviously ultimately be involved as an underwriter. The underwriter RFP will seek both senior managers and co-managers.

So, you know, obviously there is only one senior or one or two senior managers on any transaction. So there will be some sort of mini procurement process at that time from the list.

KNOX: Understood. Thank you.

BURN: Moving on to the next resolution in your book at tab 10. This resolution gives authority to the Executive Director to enter into amendments to the two contracts that we have with the current financial advisors.

And this is a situation where, under

normal circumstances, we would perhaps seek an RFP, but given that these folks are engaged currently in providing financial advisory services, with respect to the upcoming SRF and a number of other matters, we seek authority to enter into amendments which extend the term of the financial advisor's agreement to March 1 of 2018.

So it's less than a year, in terms of what we're looking for, and limit -- increase the amount payable under that contract, but limit the amount to 225 for the period commencing on the date of the execution of the amendment through the term of less than one year through March 1.

MEISTER: And also just a note on the role of the financial advisors, particularly in the Clean Water Initiative and State Revolving Fund, the financial advisors serve a fiduciary role on behalf of both Illinois Finance Authority as the issuer, and the Illinois Environmental Protection Agency is the, in essence, the borrower and the administrator of the pool.

And so they watch -- and I think this role was successfully done last year in September of '16. They make sure that basically the public side is

getting the best possible value, and they have a fiduciary contractual duty to do that.

I had asked the procurement regulators for this extension because given the timeline, I did not want people to be -- to have their priorities diverted.

BURN: Distracted.

MEISTER: Distracted during this important timeline for the upcoming water bond issuance. And I would also note that or underscore that the two financial advisors, Acacia and Sycamore, they were

originally competitively procured, and they are both women-owned firms.

BURN: And moving on to the resolution in tab 11, which is moving away from the SRF Clean Water Initiative professionals, as in connection with our employee benefits program.

The current provider of employee benefits and payroll services is Total Source ADP and that contract expires on May 31, 2017. Total Source approached the Authority regarding an extension of the arrangement, which -- and, by the way, the arrangement we're talking, Source allows us to take advantage of economies of scale where, as you know,

a small agency, I think less than 14 employees right now, so to go into the market, and we will be going into the market, to have -- or we won't be, but Mesirow Alliant will be going into the market to examine what -- you know, what alternatives are available to us.

So, you know, given the limit on the number of people in our organization, to achieve or acquire employee benefits from sources other than Total source, but being part of the Total Source arrangement, because of the way they established that pool of folks that they offer these benefits to, allows us -- does the economy of scale.

So, actually, pursuing the Total Source arrangement may well be the most cost-effective way of achieving the current level of coverages, but obviously you want to go out and do the market test to make sure we're not, you know, missing something.

Any final arrangement, obviously, will be in accordance with procurement regulations.

MEISTER: So -- and before any questions, I do just --

BURN: Oh, I was just going to mention --

MEISTER: Oh, go ahead.

BURN: Well, what I was going to say is that Total Source has offered a discount in their administrative fee, if we procure it for two years. So that's something that we're exploring, and we will explore both with the regulators and ADP.

MEISTER: Before any questions, I do just want to compliment Denise for her management and leadership of this entire procurement area.

This particular contractual relationship, which is of high importance to my colleagues on the team, and of importance to the Members of the Authority, because of the statutory authorization of Board Members to set the terms of compensation and benefits.

This was one of the first matters that Rob and I discussed because there were various procurement issues that were surfacing shortly after April of 2015. We have been very transparent with the procurement regulators on this, and we expect to be so in the future.

We anticipate that the regulators will schedule some sort of public hearing that Denise and I and Elizabeth, and likely Six, will participate in to discuss this, but it's an important contractual

relationship.

We benefit from a much larger pool than we would otherwise. And, again, the level of detail, the level of forms, the level of documentation, the level of bureaucracy that this requires, is something that is a significant commitment.

I applaud Denise for throwing herself into this extremely important, but rather esoteric area of the Illinois law and governance. I also want to compliment -- I cannot name them, but there were a number of senior members of our team that have been deeply involved in the legal procurement, and are likely going to be involved in the State Revolving Fund Clean Water Initiative procurement.

They have devoted many, many hours to this. One of them shared with me that their work alone was about 60 hours in a month for the legal procurement.

Multiply that by three, in addition to the other depth of the workload, and then all of the supporting work that goes along with it, you get a sense of the depth and level of commitment, which we embrace.

We're happy to do and we've embraced it.

We're working on it. We're committed to it, but it is a significant commitment of our budget.

BURN: Any time you do an RFP, obviously it's great to get a number of responses, but those all have to be evaluated in a very controlled way all the time.

MEISTER: Detailed.

BURN: Very detailed, very controlled way. The regulators want to see all of the evaluations. When you are dealing with a number of people, you know, in a profession, it can be problematical.

It's not just a quantitative analysis of, you know, sort of who is the cheapest or, you know, you're really looking at a number of other factors as well, and the cheapest may not always be necessarily the best.

Are there any questions at all on any of the -- sure.

JURACEK: I'm confused by the caption on the memorandum and then the actual resolution. The way I read the caption, it says it's a resolution authorizing the Executive Director to enter into a contract with Total Source, Incorporated, and one or more affiliates.

Yet I read the resolution, and it's a much more generic resolution that acknowledges the

contract is expiring, and it gives the Authority to the Executive Director to negotiate whatever going forward.

BURN: I think the resolution --

JURACEK: So can you explain this a little bit?

BURN: The resolution is what would govern. I think really the heading is probably more limited than it should have been because the intent -- first of all, from a procurement perspective, we are not doing an RFP, with respect to the employee benefits, and that is for a number of reasons, not least of which is the -- if you think about what an employee benefit provider would need, in order to really respond to an RFP, they need a whole bunch of information, with respect to the individuals involved that are, you know, going to be covered by the plan, and you run into HIPAA issues. You run into all sorts of issues.

So what that may mean is we end up doing what is called a sole source where we have to justify to the State, State regulators, that we have done appropriate due diligence to enable us to say

that the source of this service that we're looking at is not only the best in terms of coverage or service, but also from a pricing point of view as well; hence, we will be very involved with Mesirow Alliant.

So notwithstanding what the heading said, there is no intent necessarily immediately to be entering into a contract. We have to do the due diligence with Mesirow and Alliant.

We have to establish that there's really a significant advantage to staying with Total Source because, again, they pool us from actuarial point of view with a whole bunch of people.

JURACEK: That part makes sense. But, to me, there's a difference between the administration, or hardware and software that administers the program, and the actual benefits, the actual insurances, et cetera. They're two different things.

And so, basically, I see Total Source right now as functioning as the intermediary that makes --

BURN: No, they are actually the provider of the benefits.

JURACEK: Okay.

BURN: One their affiliates.

JURACEK: So the insurance goes through them and everything else?

BURN: Yes. The insurance is not through Mesirow. I mean, the insurance is actually provided by ADP. I don't think it's necessarily Total Source.

I think there's another one of their affiliates that actually is the insurer. So the insurance is provided through Total Source.

JURACEK: So Alliant Mesirow will help survey

the market to benchmark what we might be getting from them.

BURN: Well, they'll look at that, and they're also going to be testing the market to see if there is anyone else out there who can provide similar coverage given, again, the dynamic of our -- you know, just the logistics of how many people we have and, you know, what our actuarial pool in such a small case looks like.

And that's what happened in the past. You know, unfortunately, it is much more, and we all know we're dealing with these healthcare issues on the news right now, but it is much more cost

effective to be part of a larger pool than a smaller pool.

JURACEK: Right, yeah. I mean, my concern is just the whereases don't match the title, and it's the whereases that governs.

BURN: I apologize for that.

MEISTER: Also, just to clarify --

BURN: You mean from a resolution point of view?

JURACEK: Right.

BURN: Okay.

JURACEK: The resolution is much more generic. It's authorizing the Executive Director to do whatever it does. It's not authorizing him to enter into a contract with Total Source.

MEISTER: Well, because I think we need to go through the regulators, have this hearing, get what direction, and we will come back to the Board.

JURACEK: It doesn't preclude Total Source from being the extender.

MEISTER: Yes.

JURACEK: But, in fact, it's a much more generic resolution.

BURN: We would come back, and that's my

understanding is --

MEISTER: Yes.

BURN: -- that we would come back to the Board to explain what the process was and what the detailed results of that -- you know, the investigation were. So apologies for that.

MEISTER: And also to clarify, going back to the creation of the Authority, the contractual relationship that we have with this ADP Total Source affiliate is, the acronym is PEO, Professional Employer organization.

The staff of the Authority, including myself, we are, in essence, joint employees of ADP Total Source, and that allows access to this larger insurance pool which, I mean, for a number of years our insurance rates have stayed flat or even declined somewhat.

And we have also been able to take advantage of certain legacy policies that would no longer be available on the open market; and, in

particular, for an agency of our size.

They also do our payroll and our tax. This was something that I think that the original Board contemplated, with the view of keeping the

Members of the Authority separate from the State payroll system, the State benefit system and the State pension system.

So this was the arrangement, and we devoted a great deal of time over successive years to work within the parameters of the Procurement Code and within our resources to figure out how to best serve these needs.

BURN: And from a resolution perspective, I believe it's the resolution, itself, which would govern, in terms of what you are actually authorizing.

JURACEK: It's usually the body that governs itself.

BURN: Yes.

JURACEK: Okay, thanks.

CHAIRMAN FUNDERBURG: Any other questions at all? Okay, if there are none, then I would like to go ahead and ask for a motion to pass and adopt the following Project Reports and Resolutions: Item 1A 1B, 2, 3 4, 5, 6, 7, 8, 9, 10 and 11.

Is there such a motion?

KNOX: So moved.

ANDERBERG: Second.

CHAIRMAN FUNDERBURG: It's a tie. Who won? Mr. Knox moved. Mr. Anderberg seconded.

Will you please call the roll?

FLETCHER: Certainly. On the motion and the second, I'll call the roll. Mr. Anderberg?

ANDERBERG: Yes.

FLETCHER: Mr. Fuentes?

FUENTES: Yes.

FLETCHER: Mr. Goetz?

GOETZ: Yes.

FLETCHER: Ms. Juracek?

JURACEK: Yes.

FLETCHER: Mr. Knox?

KNOX: Yes.

FLETCHER: Mr. McCoy?

McCOY: Yes.

FLETCHER: Mr. Obernagel on the line?

OBERNAGEL: Yes.

FLETCHER: Mr. O'Brien?

O'BRIEN: Yes.

FLETCHER: Mr. Poole?

POOLE: Yes.

FLETCHER: Ms. Smoots?

SMOOTS: Yes.

FLETCHER: Mr. Yonover?

YONOVER: Yes.

FLETCHER: Mr. Zeller?

ZELLER: Yes.

FLETCHER: Mr. chairman Funderburg?

CHAIRMAN FUNDERBURG: Yes.

FLETCHER: Mr. Chairman, the motion carries.

CHAIRMAN FUNDERBURG: Thank you. Other business? Ms. Burn?

BURN: I'm going to read a statement with respect to the economic disclosure filings. Apologies for confusion. They were included -- the forms were included in the book just for your information on what you would be receiving.

And shortly you will be receiving in the mail, and that's how it has to be delivered to you, two economic disclosure forms that needs to be completed and filed with State entities, and the samples are included in your Board packet.

First, there's a statement of economic interest that you will be receiving from the Secretary of State. I expect that to be mailed to your home address around March 15. Do not complete the form in your Board packet. I already said that.

The original form you received in the mail should be completed and mailed to Mari Money for review by General Counsel Elizabeth Weber, as required by law.

Since all forms must be filed no later than May 1, 2017, we recommend that you send your completed form no later than the first week in April for review, and then we can then file that form for you with the Secretary of State if no changes are needed.

Second, there will be a supplemental statement of economic interest that you will receive from the State of Illinois Executive Ethics Commission, and you will receive that around March 20th. That form must be filed by May 1, 2017, also.

And, again, please mail the original that you complete to Mari Money, and she will give it to Elizabeth Weber, who will review it on your behalf. Please note that both forms will be a matter of public record.

The General Counsel will be sending an E-mail to all Members with the same information, particularly since some Members are not present

today, and Elizabeth Weber will be available to answer any questions you may have about the form, in terms of completing it.

CHAIRMAN FUNDERBURG: Okay, thank you. Any questions on that? Okay. So at this point, then, I would like to ask is there any other business to come before the Members?

If not, then, is there a motion to excuse the absences of the Members unable to participate today?

ZELLER: So moved.

CHAIRMAN FUNDERBURG: Okay. Is there a second?

O'BRIEN: Second.

CHAIRMAN FUNDERBURG: There was a second by Mr. O'Brien. All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Next I would like to ask if there is any public comment? No. Okay.

Thank you all for coming. I would like to call for a motion to adjourn.

FUENTES: So moved.

CHAIRMAN FUNDERBURG: Mr. Fuentes.

McCOY: Second.

CHAIRMAN FUNDERBURG: Okay. Mr. McCoy is a second. All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay, thank you all.

FLETCHER: The time is 10:56 a.m.

(WHICH WERE ALL THE PROCEEDINGS HAD AT 10:56 A.M..)

MARZULLO REPORTING AGENCY (312) 321-9365

STATE OF ILLINOIS)
)SS:
COUNTY OF C O O K)

PAMELA A. MARZULLO, C.S.R., being first duly sworn, says that she is a court reporter doing business in the city of Chicago; that she reported in shorthand the proceedings had at the Proceedings of said cause; that the foregoing is a true and correct transcript of her shorthand notes, so taken as aforesaid, and contains all the proceedings of said meeting.

____
PAMELA A. MARZULLO
License No. 084-001624

MARZULLO REPORTING AGENCY (312) 321-9365

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

March 9, 2017

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
MARCH 9, 2017 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

March 9, 2017

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FENRUARY 9, 2017 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

March 9, 2017

13 YEAS 0 NAYS 0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

March 9, 2017

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

E – Denotes Excused Absence

NO. 1A

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AG1A
BEGINNING FARMER REVENUE BOND – JACOB A. BIRCH
FINAL (ONE-TIME CONSIDERATION)
PASSED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 1B

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AG1B
BEGINNING FARMER REVENUE BOND – KEVIN TIMOTHY THOLE
FINAL (ONE-TIME CONSIDERATION)
PASSED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-BI02
FREIGHT TRANSFER FACILITIES REVENUE BOND – CENTERPOINT JOLIET TERMINAL RAILROAD, LLC
FINAL
PASSED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 03

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-NP03
501(C)(3) REVENUE BOND – BHF CHICAGO HOUSING GROUP B LLC (BETTER HOUSING FOUNDATION ICARUS PORTFOLIO PROJECT)
FINAL (ONE-TIME CONSIDERATION)
PASSED*

March 9, 2017

13 YEAS 0 NAYS 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 04

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-HC04
501(C)(3) REVENUE BOND – MONTGOMERY PLACE
FINAL
PASSED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-HC05
501(C)(3) REVENUE BOND – FRANCISCAN COMMUNITIES, INC.
FINAL
PASSED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 06

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-HC06
501(C)(3) REVENUE BOND – HARRISBURG MEDICAL CENTER
FINAL (ONE-TIME CONSIDERATION)
PASSED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 07

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AD07
RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $10,000,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY MIDWESTERN DISASTER AREA REVENUE REFUNDING BOND (P.O.B. DEVELOPMENT, LLC PROJECT) SERIES 2017; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS
ADOPTED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AD08
RESOLUTION APPROVING A FIRST AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE ILLINOIS FINANCE AUTHORITY REVENUE BOND (NORTHERN ILLINOIS CONFERENCE OF THE UNITED METHODIST CHURCH PROJECT), SERIES 2017, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,400,000, FOR THE BENEFIT OF THE NORTHERN ILLINOIS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH; AND AUTHORIZING AND APPROVING RELATED MATTERS
ADOPTED*

March 9, 2017

13 YEAS 0 NAYS 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 09

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AD09
RESOLUTION TO APPROVE GOING FORWARD WITH PROCUREMENTS FOR UNDERWRITERS AND OTHER PROFESSIONALS FOR THE STATE REVOLVING FUND (CLEAN WATER INITIATIVE)
ADOPTED*

March 9, 2017

13 YEAS 0 NAYS 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AD10
RESOLUTION APPROVING AMENDMENTS TO CONTRACTS RELATING TO FINANCIAL ADVISORY SERVICES
ADOPTED*

March 9, 2017

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0309-AD11
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH TOTALSOURCE, INC. AND ONE OR MORE OF ITS AFFILIATES OR OTHER PROVIDERS FOR THE PROVISION OF EMPLOYEE BENEFITS AND PAYROLL SERVICES
ADOPTED*

March 9, 2017

13 YEAS 0 NAYS 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: April 13, 2017

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 March 31, 2017****

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

FISCAL YEAR 2017-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. **Total Annual Revenues** equal $**4.3** million and are $618 thousand or 16.6**%** higher than budget due primarily to **higher** closing fees. Closing fees year-to-date of $3.1 million are $466 thousand or 17.8% **higher** than budget. Annual fees of $242 thousand are $81 thousand higher than the budgeted amount. Administrative service fees of $198 thousand are $156 thousand 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 $28 thousand and are $6 thousand higher than 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 $564 thousand (which represents a declining asset since 2014). Net investment income position is at $200 thousand for the fiscal year and is $43 thousand higher than budget,* due primarily to the accrual of interest in the aggregate amount of $90 thousand in connection with the State Prompt Payment Act for State receivables outstanding from July 2016 to September 2016.

b. In **March,** the Authority generated $135 thousand in closing fees, lower than the monthly budgeted amount of $291 thousand. Closing fees were received from: ***Smart Hotels, LLC*** for $29 thousand***; Harrisburg Medical Center*** for $16 thousand; ***CenterPoint Joliet Terminal Railroad, LLC*** for $80 thousand and two beginning farmer bonds for $10 thousand. In March, ***net*** investment gain was $8 thousand.

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 advices 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***

c. **Total Annual Expenses** of $2.4 million were $1.3 million or 34.4% 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 $2.0 million; with each function at 26.0% and 51.8% under budget, respectively. Annual occupancy costs of $131 thousand are 15.4% lower than the budget, while general and administrative costs are $260 thousand for the year, which is 14.5% lower than budget. Total depreciation costs are $14 thousand and 22.7% below 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 $5.1 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 **March**, the Authority recorded operating expenses of $263 thousand, which was 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 Loss** of $25 thousand was driven by lower than expected closing fees.

f. **Total Annual Net Income** is $2.5 million. The major driver of the annual positive bottom line continues to be the level of overall spending at 34.4% below budget, as well as higher closing fees, higher administrative service fees and higher annual fees.

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Authority, as of March 31, 2017, is a $121.2 million dollar agency which also currently accounts for $300 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for nearly $25.2 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 $56.3 million. The total assets in the General Fund are $56.3 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $41.6 million (with $18.2 million in cash). Notes receivables from the former Illinois Rural Bond Bank local governments total $12.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at $3.3 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 $722 million (which includes the $500 million CWI bonds that closed on September 12, 2016. Restricted investments total $268.0 million with accrued investment income at $223 thousand.). Year-to-date CWI bond disbursements total $354.2 million. A listing of the loans awarded is provided as supplementary information following the Financial Statements.

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of $318 thousand. In Fiscal Year 2017, two new loans were disbursed for a total of $700 thousand under the Fire Truck Revolving Loan program and fifteen new loans were disbursed for a total of $1.5 million under the Ambulance Revolving Loan program. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority's balance sheet is $22.9 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 March 31, 2017, 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 $7.5 million includes a loss reserve of $442 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 March 31, 2017. In month of April, the Authority will be paying out $418 thousand on an Agricultural Guarantee. The Authority reserved for the loss in Fiscal Year 2016. In April the Authority will be recognizing a recovery of bad debt of $24 thousand as a result of the anticipated loan loss payout being less than the reserved amount.

c. All other nonmajor funds recorded total year-to-date revenues of $264 thousand. Year-to-date expenses total $6 thousand as of March 31, 2017. Total Net Position in the remaining non-major funds is $37.8 million.

d. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of $13 thousand in the custody of the Authority. In the month of March the Authority received a $7 thousand check from Metro East Police District Commission. The Authority is requesting additional information on these funds. Once the Authority has received the information it will be communicated to the Board. The Illinois Finance Authority NFP Development Fund has a total net position of $20 thousand.

5. AUTHORITY AUDITS AND REGULATORY UPDATES

a. The Fiscal Year 2017 Financial Audit Examination and the two year Compliance Audit Examination will be conducted by RSM US LLP which will begin on April 19, 2017. The Authority will be scheduling an Audit Plus committee meeting in the coming month.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

a. The Fiscal Year Comparison of Bonds Issued, The Fiscal Year 2017 Bonds Issued, Schedule of Debt, the State of Illinois Receivables Summary, a listing of Local Government Loans under the Fire Truck, Ambulance, Local Government programs and a listing of the Loan Awards for the Clean Water Initiative (CWI) bonds for IEPA are being presented as supplementary financial information, immediately following the financial reports in your Board package.

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 MARCH 31, 2017
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	2017 BUDGET VARIANCE	2015 BUDGET VARIANCE
Operating Revenues:																
Closing Fees	$ 230,038	$ 479,153	$ 745,423	$ 213,750	$ 432,506	$ 337,250	$ 196,519	$ 312,793	$ 134,890				$ 3,082,322	$ 2,616,300	$ 466,022	17.8%
Annual Fees	26,604	22,792	30,432	27,938	25,960	26,601	24,191	30,641	27,238				242,397	160,783	81,614	50.8%
Administrative Service Fees	161,000	-	-	-	20,000	-	10,000	7,000	-				198,000	41,250	156,750	380.0%
Application Fees	200	2,000	8,700	3,700	5,600	1,400	1,600	4,100	1,100				28,400	22,275	6,125	27.5%
Miscellaneous Fees	94	4,752	-	-	338	-	131	-	15,000				20,315	375	19,940	5317.3%
Interest Income-Loans	69,733	68,858	69,694	69,615	69,169	69,203	74,988	22,384	50,643				564,287	622,028	(57,741)	-9.3%
Other Revenue	191	191	190	-	9,506	177	-	180	172				10,607	108,000	(97,393)	-90.2%
Total Operating Revenue:	**$ 487,860**	**$ 577,746**	**$ 854,439**	**$ 315,003**	**$ 563,079**	**$ 434,631**	**$ 307,429**	**$ 377,098**	**$ 229,043**	**$ -**	**$ -**	**$ -**	**$ 4,146,328**	**$ 3,571,011**	**$ 575,317**	**16.1%**
Operating Expenses:																
Employee Related Expense	$ 155,025	$ 147,885	$ 170,978	$ 137,770	$ 138,406	$ 134,906	$ 155,791	$ 154,498	$ 153,680				$ 1,348,939	$ 1,822,792	$ (473,853)	-26.0%
Professional Services	45,724	60,685	89,585	75,798	81,641	64,762	143,680	50,177	68,888				680,940	1,412,277	(731,337)	-51.8%
Occupancy Costs	14,105	13,292	17,476	11,994	16,652	14,748	15,087	14,626	12,520				130,500	154,312	(23,812)	-15.4%
General & Administrative	28,385	29,354	26,935	26,112	25,458	37,602	35,127	24,839	26,298				260,110	304,076	(43,966)	-14.5%
Depreciation and Amortization	2,180	2,153	1,504	1,504	1,504	1,504	1,504	1,504	1,136				14,493	18,750	(4,257)	-22.7%
Total Operating Expense	**$ 245,419**	**$ 253,369**	**$ 306,478**	**$ 253,178**	**$ 263,661**	**$ 253,522**	**$ 351,189**	**$ 245,644**	**$ 262,522**	**$ -**	**$ -**	**$ -**	**$ 2,434,982**	**$ 3,712,207**	**$ (1,277,225)**	**-34.4%**
Operating Income(Loss)	**$ 242,441**	**$ 324,377**	**$ 547,961**	**$ 61,825**	**$ 299,418**	**$ 181,109**	**$ (43,760)**	**$ 131,454**	**$ (33,479)**	**$ -**	**$ -**	**$ -**	**$ 1,711,346**	**$ (141,196)**	**$ 1,852,542**	**1312.0%**
Nonoperating Revenues (Expenses):																
Miscellaneous Non-Opertg Rev/(Exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,125)	$ 1,125	-100.0%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500	(7,500)	-100.0%
Interest and Investment Income*	15,017	21,911	123,568	15,493	17,776	21,022	23,719	28,870	25,238				292,614	235,405	57,209	24.3%
Realized Gain (Loss) on Sale of Invests	(2,890)	(298)	(626)	(105)	(317)	(230)	(1,578)	(7,370)	(2,126)				(15,540)	4,658	(20,198)	-433.6%
Net Appreciation (Depr) in FV of Invests*	(14,294)	(20,518)	3,005	(7,744)	(26,990)	2,534	6,609	(4,923)	(14,964)				(77,285)	(89,578)	12,293	-13.7%
Total Nonoperating Rev (Exp)	**$ (2,167)**	**$ 1,095**	**$ 125,947**	**$ 7,644**	**$ (9,531)**	**$ 23,326**	**$ 28,750**	**$ 16,577**	**$ 8,148**	**$ -**	**$ -**	**$ -**	**$ 199,789**	**$ 156,860**	**$ 42,929**	**27.4%**
Net Income (Loss) Before Transfers	**$ 240,274**	**$ 325,472**	**$ 673,908**	**$ 69,469**	**$ 289,887**	**$ 204,435**	**$ (15,010)**	**$ 148,031**	**$ (25,331)**	**$ -**	**$ -**	**$ -**	**$ 1,911,135**	**$ 15,664**	**$ 1,895,471**	**12100.8%**
Transfers:																
Transfers in from other funds	$ 107,795	$ 1,502,594	$ 3,030,647	$ 6,405	$ 828,836	$ 227,196	$ 8,815	$ 2,850					$ 5,715,138	$ -	5,715,138	0.0%
Transfers out to other funds	(107,795)	(1,502,594)	(3,030,647)	(6,405)	(228,358)	(227,164)	(8,815)	(2,850)					(5,114,628)	-	(5,114,628)	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,478**	**$ 32**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,510**	**$ -**	**$ 600,510**	**0.0%**
Net Income (Loss)	**$ 240,274**	**$ 325,472**	**$ 673,908**	**$ 69,469**	**$ 890,365**	**$ 204,467**	**$ (15,010)**	**$ 148,031**	**$ (25,331)**	**$ -**	**$ -**	**$ -**	**$ 2,511,645**	**$ 15,664**	**$ 2,495,981**	**15934.5%**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
FOR FISCAL YEAR 2017 AS OF MARCH 31, 2017
(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	$ 3,082,322	$ -	$ -	$ -	$ 3,082,322	$ -	$ 3,082,322	$ -
Annual Fees	242,397	-	-	-	242,397	-	242,397	-
Administrative Service Fees	198,000	-	-	-	198,000	-	198,000	-
Application Fees	28,400	-	-	-	28,400	-	28,400	-
Miscellaneous Fees	20,315	318,129	-	107	338,551	-	338,551	-
Interest Income-Loans	564,287	11,280	-	25,278	600,845	10,947,235	11,548,080	-
Other Revenue	10,607	-	-	1,107	11,714	-	11,714	-
Total Operating Revenue:	**$ 4,146,328**	**$ 329,409**	**$ -**	**$ 26,492**	**$ 4,502,229**	**$ 10,947,235**	**$ 15,449,464**	**$ -**
Operating Expenses:								
Employee Related Expense	$ 1,348,939	$ -	$ -	$ -	$ 1,348,939	$ -	$ 1,348,939	$ -
Professional Services	680,940	161	106	4,392	685,599	-	685,599	-
Occupancy Costs	130,500	-	-	-	130,500	-	130,500	-
General & Administrative	260,110	-	-	36	260,146	-	260,146	-
Interest Expense	-	-	-	2,318	2,318	12,058,112	12,060,430	-
Depreciation and Amortization	14,493	-	-	-	14,493	-	14,493	-
Total Operating Expense	**$ 2,434,982**	**$ 161**	**$ 106**	**$ 6,746**	**$ 2,441,995**	**$ 12,058,112**	**$ 14,500,107**	**$ -**
Operating Income(Loss)	**$ 1,711,346**	**$ 329,248**	**$ (106)**	**$ 19,746**	**$ 2,060,234**	**$ (1,110,877)**	**$ 949,357**	**$ -**
Nonoperating Revenues (Expenses):								
Miscellaneous non-opertg rev/(exp)	$ -	$ -	$ -	$ 118,368	$ 118,368	$ -	$ 118,368	$ -
Interest and invesment income*	292,614	10,365	9,964	205,075	518,018	1,140,531	1,658,549	15
Realized Gain (Loss) on sale of investment	(15,540)	(329)	(126)	(1,991)	(17,986)	(257,327)	(275,313)	-
Net Appreciation (Depr) in fair value of investments**	(77,285)	(2,044)	187	(83,197)	(162,339)	227,673	65,334	-
Total Nonoperating Revenues (Expenses)	**$ 199,789**	**$ 7,992**	**$ 10,025**	**$ 238,255**	**$ 456,061**	**$ 1,110,877**	**$ 1,566,938**	**$ 15**
Net Income (Loss) Before Transfers	**$ 1,911,135**	**$ 337,240**	**$ 9,919**	**$ 258,001**	**$ 2,516,295**	**$ -**	**$ 2,516,295**	**$ 15**
Transfers:								
Transfers in from other funds	$ 5,715,138	$ -	$ -	$ -	$ 5,715,138	$ -	$ 5,715,138	$ -
Transfers out to other funds	(5,114,628)	-	-	(600,510)	(5,715,138)	-	(5,715,138)	-
Total Transfers In (Out)	**$ 600,510**	**$ -**	**$ -**	**$ (600,510)**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**$ 2,511,645**	**$ 337,240**	**$ 9,919**	**$ (342,509)**	**$ 2,516,295**	**$ -**	**$ 2,516,295**	**$ 15**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
March 31, 2017
(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	$ 18,219,439	$ -	$ -	$ 208,518	$ 18,427,957	$ -	$ 18,427,957	$ -
Investments	16,823,874	-	-	2,107,463	18,931,337	-	18,931,337	-
Accounts receivable, Net	72,810	-	-	-	72,810	-	72,810	-
Loans receivables, Net	2,196	-	-	-	2,196	-	2,196	-
Accrued interest receivable	400,014	-	-	11,509	411,523	-	411,523	-
Bonds and notes receivable	1,604,100	-	-	-	1,604,100	-	1,604,100	-
Due from other funds	25,619	-	-	-	25,619	-	25,619	-
Due from other local government agencies	-	-	-	-	-	-	-	-
Prepaid Expenses	93,016	-	-	-	93,016	-	93,016	-
Total Current Unrestricted Assets	**$ 37,241,068**	**$ -**	**$ -**	**$ 2,327,490**	**$ 39,568,558**	**$ -**	**$ 39,568,558**	**$ -**
Restricted:								
Cash & Cash Equivalents	$ -	$ 1,002,859	$ 482,422	$ 3,794,098	$ 5,279,379	$ 46,536,837	$ 51,816,216	$ 13,468
Investments	-	1,804,615	2,072,863	5,682,404	9,559,882	264,749,156	274,309,038	-
Accrued interest receivable	-	10,286	3,418	31,878	45,582	223,390	268,972	-
Due from other funds	-		-	-	-		-	-
Due from primary government	-	-	-	-	-		-	-
Bonds and notes receivable from State component units	-		-	-	-	243,273	243,273	-
Loans receivables, Net	-	1,796,438	-	26,020	1,822,458	-	1,822,458	-
Total Current Restricted Assets	**$ -**	**$ 4,614,198**	**$ 2,558,703**	**$ 9,534,400**	**$ 16,707,301**	**$ 311,752,656**	**$ 328,459,957**	**$ 13,468**
Total Current Assets	**$ 37,241,068**	**$ 4,614,198**	**$ 2,558,703**	**$ 11,861,890**	**$ 56,275,859**	**$ 311,752,656**	**$ 368,028,515**	**$ 13,468**
Non-current Assets:								
Unrestricted:								
Investments	$ 6,559,791	$ -	$ -	$ 1,989,363	$ 8,549,154	$ -	$ 8,549,154	$ -
Loans receivables, Net	2,393,503	-	-	-	2,393,503	-	2,393,503	-
Bonds and notes receivable	10,465,037	-	-	-	10,465,037	-	10,465,037	-
Total Noncurrent Unrestricted Assets	**$ 19,418,331**	**$ -**	**$ -**	**$ 1,989,363**	**$ 21,407,694**	**$ -**	**$ 21,407,694**	**$ -**
Restricted:								
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	5,340,334	5,340,334	3,340,042	8,680,376	-
Funds in the custody of the Treasurer	-	28,224	-	18,025,570	18,053,794	-	18,053,794	-
Loans receivables, Net	-	18,261,413	1,672,960	1,260,235	21,194,608	-	21,194,608	-
Bonds and notes receivable from primary government	-	-	-	-	-	377,747,279	377,747,279	-
Bonds and notes receivable from State component units	-	-	-	-	-	29,196,282	29,196,282	-
Total Noncurrent Restricted Assets	**$ -**	**$ 18,289,637**	**$ 1,672,960**	**$ 24,626,139**	**$ 44,588,736**	**$ 410,283,603**	**$ 454,872,339**	**$ -**
Capital Assets								
Capital Assets	$ 801,652	$ -	$ -	$ -	$ 801,652	$ -	$ 801,652	$ -
Accumulated Depreciation	(787,263)	-	-	-	(787,263)	-	(787,263)	-
Total Capital Assets	**$ 14,389**	**$ -**	**$ -**	**$ -**	**$ 14,389**	**$ -**	**$ 14,389**	**$ -**
Total Noncurrent Assets	**$ 19,432,720**	**$ 18,289,637**	**$ 1,672,960**	**$ 26,615,502**	**$ 66,010,819**	**$ 410,283,603**	**$ 476,294,422**	**$ -**
Total Assets	**$ 56,673,788**	**$ 22,903,835**	**$ 4,231,663**	**$ 38,477,392**	**$ 122,286,678**	**$ 722,036,259**	**$ 844,322,937**	**$ 13,468**
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	$ -	$ -	$ -	$ -	$ -	$ 450,897	$ 450,897	$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 450,897**	**$ 450,897**	**$ -**
Total Assets & Deferred Inflows of Resources	**$ 56,673,788**	**$ 22,903,835**	**$ 4,231,663**	**$ 38,477,392**	**$ 122,286,678**	**$ 722,487,156**	**$ 844,773,834**	**$ 13,468**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
March 31, 2017
(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	$ 21,517	$ -	$ -		$ 21,517	$ -	$ 21,517	$ -
Accrued liabilities	40,877	-	-	-	40,877	-	40,877	-
Due to employees	117,956	-	-	-	117,956	-	117,956	-
Due to primary government	85,001	-	-	-	85,001	-	85,001	-
Other liabilities	-	-	-	-	-	-	-	13,453
Unearned revenue, net of accumulated amortization	132,898	-	-	-	132,898	-	132,898	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 398,249**	**$ -**	**$ -**	**$ -**	**$ 398,249**	**$ -**	**$ 398,249**	**$ 13,453**
Payable from restricted current assets:								
Accrued interest payable	$ -	$ -	$ -	$ 1,030	$ 1,030	$ 6,867,517	$ 6,868,547	$ -
Due to other funds	-	-	-	25,619	25,619		25,619	-
Bonds and notes payable from primary government	-	-	-	-	-	43,862,179	43,862,179	-
Bonds and notes payable from State component units	-	-	-	-	-	1,530,000	1,530,000	-
Current portion of long term debt	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	8,816,297	8,816,297	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**	**$ -**	**$ -**	**$ 26,649**	**$ 26,649**	**$ 61,075,993**	**$ 61,102,642**	**$ -**
Total Current Liabilties	**$ 398,249**	**$ -**	**$ -**	**$ 26,649**	**$ 424,898**	**$ 61,075,993**	**$ 61,500,891**	**$ 13,453**
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	$ -	$ -	$ -	$ -	$ -	$ 627,818,675	$ 627,818,675	$ -
Bonds and notes payable from State component units	-	-	-	-	-	33,592,488	33,592,488	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512		248,512	-
Noncurrent loan reserve	-	-	-	441,869	441,869	-	441,869	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ -**	**$ -**	**$ 690,381**	**$ 690,381**	**$ 661,411,163**	**$ 662,101,544**	**$ -**
Total Noncurrent Liabilities	**$ 585**	**$ -**	**$ -**	**$ 690,381**	**$ 690,966**	**$ 661,411,163**	**$ 662,102,129**	**$ -**
Total Liabilities	**$ 398,834**	**$ -**	**$ -**	**$ 717,030**	**$ 1,115,864**	**$ 722,487,156**	**$ 723,603,020**	**$ 13,453**
Net Position:								
Net Investment in Capital Assets	$ 14,389	$ -	$ -	$ -	$ 14,389	$ -	$ 14,389	$ -
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	-	-	-	19,190,729	19,190,729	-	19,190,729	-
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	53,748,920	-	-	4,195,021	57,943,941	-	57,943,941	-
Current Change in Net Position	2,511,645	337,241	9,919	(342,509)	2,516,296	-	2,516,296	15
Total Net Position	**$ 56,274,954**	**$ 22,903,835**	**$ 4,231,663**	**$ 37,760,362**	**$ 121,170,814**	**$ -**	**$ 121,170,814**	**$ 15**
Total Liabilities & Net Position	**$ 56,673,788**	**$ 22,903,835**	**$ 4,231,663**	**$ 38,477,392**	**$ 122,286,678**	**$ -**	**$ 844,773,834**	**$ 13,468**

ILLINOIS FINANCE AUTHORITY

STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF April 5, 2017

As of November 1, 2015 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	($15,789.33)
	Balance due from Grayboy Building Maint.	$1.03
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	($3,674,162.78)
	Balance due from M.J. Kellner	$61,973.52
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
		$1,178,380.25
	Payment received by IFA	(1,178,380.25)
	Balance due from Smith Maintenance	$0.00
Sysco St. Louis LLC	12/16/2015	$32,418.85
	Total State of Illinois Assigned/Purchased Receivables	**$4,971,951.65**
	Total State of Illinois Assigned/Purchased Receivables Payment Received	**$4,877,558.25**
	Balance due from State of Illinois Assigned/Purchased Receivables	**$94,393.40**

LOCAL GOVERNMENT LISTING
OUTSTANDING BALANCE AS OF
March 31, 2017

Borrower Name	Outstanding Balance	
Adams County Water District #1	$	135,536.70
AVOCA Drainage District	$	465,000.00
Central Macoupin Co. Rural Water District	$	230,000.00
Cissna Park Fire Protection District	$	270,000.00
City of Aledo	$	240,000.00
City of Benton	$	70,000.00
City of Bunker Hill	$	305,000.00
City of Bunker Hill	$	165,000.00
City of Girard	$	610,000.00
City of Herrin	$	270,000.00
City of Petersburg	$	120,000.00
City of Pittsfield	$	50,000.00
City of Shawneetown	$	64,500.00
City of Sumner	$	35,000.00
City of Sumner	$	14,700.00
City of Warsaw	$	275,000.00
City of Yorkville	$	830,000.00
Curran Gardner Township Water	$	-
Momence Park District	$	79,000.00
Mt. Zion Fire Protection District	$	640,000.00
Nebo Water System	$	10,000.00
Piasa Township Sewer District	$	30,000.00
Pike County Water District	$	105,000.00
Riverton Area Fire Protec Dist	$	670,000.00
Town of Matherville	$	140,000.00
Village of Annawan	$	165,000.00
Village of Blue Mound	$	15,000.00
Village of Blue Mound	$	30,000.00
Village of Brownstown	$	40,000.00
Village of Brownstown	$	84,300.00
Village of Campus	$	20,000.00
Village of Carbon Hill	$	95,000.00
Village of Cooksville	$	295,000.00
Village of Cowden	$	225,000.00

LOCAL GOVERNMENT LISTING OUTSTANDING BALANCE AS OF March 31, 2017		
Borrower Name	**Outstanding Balance**	
Village of Farmersville	$	490,000.00
Village of Green Valley	$	45,000.00
Village of Harmon	$	260,000.00
Village of Hopkins Park	$	30,000.00
Village of Iuka	$	120,000.00
Village of Junction City	$	25,000.00
Village of Kane	$	545,000.00
Village of Kingston Mines	$	115,000.00
Village of Maeystown	$	115,000.00
Village of Magnolia	$	205,000.00
Village of Malden	$	19,600.00
Village of Malta	$	-
Village of Nebo Sewer System	$	10,000.00
Village of Niantic	$	-
Village of Palmyra	$	83,000.00
Village of Pamana	$	25,000.00
Village of Pierron	$	219,300.00
Village of Rutland	$	10,000.00
Village of Sheffield	$	100,800.00
Village of Steward	$	14,700.00
Village of Stockton	$	34,400.00
Village of Taylor Springs	$	55,000.00
Village of Thomson	$	2,199,300.00
Village of Waynesville	$	410,000.00
Village of Williamsville	$	70,000.00
Winthrop Harbor School District	$	75,000.00
Total Outstanding	$	12,069,136.70
Total Number of Borrowers		57

Total principal amount received in February was $4.0 million a 24.71% reduction on the outstanding balance. There were 3 loans that paid off in the amount of $2.5 million

FIRE TRUCK REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
March 31, 2017

Borrower Name		Outstanding Balance
Alhambra Community Fire Protection Distı	$	68,738.00
Allin Fie Protection District	$	80,000.00
Annawan Alba FPD	$	332,500.00
Apple River Fire Department	$	162,500.00
Arcola Fire Protection District	$	105,000.00
Beardstown Fire Department	$	97,528.47
Beaverville Fire Protection Disrict	$	37,000.10
Beckemeyer-Wade Fire Protection District	$	23,400.00
Bellmont Volunteer Fire Department	$	18,484.40
Bethany Fire Protection District	$	332,500.00
Bishop Hill Community Fire Protection Di:	$	146,666.68
Broadlands-Longview Fire Protection Dist	$	65,000.00
Brocton Fire District	$	54,867.75
Browns Fire Department	$	17,640.55
Bunker Hill Fire Protection District	$	162,246.00
Camargo Countryside Fire Protection Dist	$	21,000.00
Camp Point Fire Protection District	$	285,000.00
Catlin Fire Protection District	$	36,625.82
Chadwick Fire Protection District	$	162,500.00
Chapin Village of Fire Department	$	80,000.00
Charleston Fire & Rescue	$	50,000.02
Chatsworth Fire Protection	$	105,301.56
Chester Fire Department	$	54,000.00
Chrisman Fire Protection District	$	162,500.00
Cissna Park Fire Protection District	$	92,074.05
City of Carmi	$	308,750.00
City of Chillicothe	$	162,500.00
City of DeKalb Fire Department	$	183,333.32
City of Fairfield	$	350,000.00
City of Johnston City	$	162,500.00
City of Lincoln	$	137,500.00
City of Mendota Fire Protection District	$	11,583.60
City of Pittsfield, C/O Fire Departement	$	123,750.00
City of Quincy Fire Department	$	162,500.00
City of Savanna	$	109,783.85
City of Urbana	$	332,500.00

FIRE TRUCK REVOLVING LOAN FUND OUTSTANDING BALANCE AS OF March 31, 2017		
City of Virginia	$	143,000.00
City of Wood River	$	137,500.00
Clover Township Fire Protect District	$	75,000.00
Cordova Fire Protection District	$	297,500.00
Countyside FPD	$	133,184.32
Crescent-Iroquois Fire Protection District	$	81,750.00
Cuba Fire Protection District	$	170,250.00
Deer Creek Fire Protection District	$	56,500.00
Des Plaines Fire Department	$	162,500.00
Dieterich Fire Protection District	$	16,400.00
East Alton Fire Department	$	332,500.00
East Dubuque Fire Department	$	14,396.28
Fairbury Fire Department	$	73,586.80
Fairfield Rural Fire Protection District	$	125,350.00
Fairview Fire Protection District	$	86,927.25
First Fire FPD of Antioch Town	$	268,800.00
Flanagan-Graymont Fire Protection	$	100,000.00
Garden Homes Fire Protection District	$	98,000.00
Germantown Rural Fire Protection District	$	23,022.33
Gifford Fire Protection District	$	49,022.50
Godfrey Fire Protection District	$	162,500.00
Green Valley Fire Protection District	$	23,722.20
Green Valley Fire Protection District	$	9,997.72
Hebron-Alden-Greenwood FPD	$	270,000.00
Hecker Fire Protection District	$	162,500.00
Hutton Fire Protection District	$	87,120.00
Iuka Fire Protection District	$	38,000.00
Kankakee Fire Department	$	80,000.00
Kankakee Township FPD	$	200,000.00
Kenney Fire Protection District	$	52,250.00
Kewanee Fire Department	$	332,500.00
Lake Egypt Fire Protection District	$	332,500.00
Lamard Township Fire Protection Distrrict	$	42,000.00
Lansing Fire District	$	88,000.00
Latham Fire Protection District	$	76,000.00
Lee Fire Protection District	$	79,600.00
Leland Fire Protection District	$	104,547.65

FIRE TRUCK REVOLVING LOAN FUND OUTSTANDING BALANCE AS OF March 31, 2017		
Lenore Fire Department	$	65,079.62
LeRoy Community Fire Protection District	$	45,000.00
Lewiston Fire District	$	56,000.00
Lexington Community Fire Protection Dist	$	129,965.00
Lovington Fire Protection District	$	156,000.00
Manhattan FPD	$	75,000.00
Marengo Fire Protection District	$	165,870.00
Marissa Fire Protection District	$	332,500.00
Maroa Countryside Fire Protection Departn	$	51,980.80
Mendon Fire Protection Department	$	192,000.00
Mendota Fire Protection District	$	50,416.39
Merrionette Park, Village	$	10,000.00
Middletown FPD	$	46,833.34
Milledgeville Fire District	$	232,000.00
Millstadt FPD	$	162,500.00
Mount Olive Fire Protection District	$	229,166.67
Mt. Hope Funks Grove Fire Protection	$	120,000.00
New Holland Fire Protection District	$	43,598.50
New Lenox FPD	$	162,500.00
Newark Fire Protection Department	$	30,000.00
Newport Fire Protection District	$	332,500.00
Niantic FPD	$	147,058.48
Nokomis Area FPD	$	142,401.09
North Pike FPD	$	68,250.00
Northern Piatt Fire Protection District	$	202,500.00
Octavia FPD	$	13,330.03
Onley Fire District	$	332,500.00
Orangeville Fire Protection District	$	332,500.00
Palatine Rural FPD	$	162,500.00
Papineau fire Protection District	$	29,695.96
Patoka Fire Protection District	$	80,580.00
Peoria Height Fire Department	$	112,500.00
Peotone FPD	$	162,500.00
Pesotum Fire Protection District	$	92,075.20
Pocahontas - Ripley FPD	$	144,602.25
Prospect Heights Fire Protection District	$	98,571.44
Rankin Fire Protection District	$	81,250.00

FIRE TRUCK REVOLVING LOAN FUND OUTSTANDING BALANCE AS OF March 31, 2017		
Robinson, City of Fire Department	$	78,129.60
Rochester FDP	$	118,697.45
Rossville Fire Protection District	$	56,000.00
Sadorus Fire Protection District	$	97,500.00
Sandwich Community FPD	$	162,500.00
Sauk Village Fire Department	$	332,500.00
Savanna Fire Departmemt	$	120,741.94
Serena Community Fire Protection District	$	315,000.00
Sheffield Fire Protection District	$	80,000.00
Shelbyville Fire Protection District	$	123,366.60
Sherman Fire Protection Department	$	117,000.00
South Roxana Fire Protection District	$	198,000.00
Spring Creek Fire Protection District	$	84,424.00
Spring Grove Fire Protection District	$	162,500.00
Strasburg Fire PRotection District	$	55,858.40
Sublette Fire Protection District	$	82,946.25
Sullivan FPD	$	75,000.00
Table Grove Fire Department	$	26,375.00
Thomasboro FPD	$	115,384.64
Toluca -Rutland Fire Protection District	$	278,350.00
Union Fire Protection Department	$	164,000.00
Unit #7 Fire Protection Department	$	120,000.00
Ursa Fire Protection District	$	113,750.00
Valmeyer FPD	$	123,500.00
Vienna Fire Department	$	79,600.00
Village of Carrier Mills Fire Department	$	60,000.00
Village of Lincolnwood	$	162,500.00
Village of Percy Fire Department	$	30,000.00
Village of Port Byron	$	137,500.00
Village of Robbins Fire Protection Dept	$	112,500.00
Village of Roxana Fire Department	$	62,500.00
Village of Western Springs	$	315,000.00
Village of Willmette Fire Protection Depart	$	200,000.00
Waltonville Fire Protection District	$	20,000.00
Warren Fire Department	$	88,165.60
Wauconda FPD	$	162,500.00
Wayne Fire Protection Distric, #1	$	30,000.00

FIRE TRUCK REVOLVING LOAN FUND OUTSTANDING BALANCE AS OF March 31, 2017		
West Brooklyn Fire Protection District	$	200,000.00
Westfield Township Fire Protection Distric	$	168,235.30
White Hall Fire Department	$	100,372.01
Williamson County Fire District	$	90,000.00
Williamsville Fire Protection District	$	162,500.00
Win-Bur-Sew Fire Protection Department	$	200,000.00
WoodstockFire/Rescue Dist	$	150,000.00
Worth Fire Department	$	49,028.40
Total Outstanding	**$**	**20,057,851.18**
Total Number of Borrowers		**155**

AMBULANCE REVOLVING LOAN FUND OUTSTANDING BALANCE AS OF March 31, 2017		
Borrower Name	**Outstanding Balance**	
Annawan Alba FPD	$	100,000.00
City of Blue Island		100,000.00
City of East Dubuque	$	100,000.00
City Of Kewanee	$	30,000.00
City of North Chicago Fire Department		100,000.00
Eastern McLean County Ambulance Assn	$	100,000.00
Fulton Fire Protection District	$	30,000.00
Gardner Volunteer Fire Department	$	30,000.00
Gillespie-Benld Area Ambulance Service	$	100,000.00
Lake Egypt FPD(Ambul)		100,000.00
Marengo Rescue Squad	$	100,000.00
Menard County Emergency Medical Svcs	$	30,000.00
Palos FPD	$	100,000.00
Pleasantview FPD	$	100,000.00
Sandoval Fire Protection District	$	100,000.00
Sugar Creek Ambulance Service	$	100,000.00
Sullivan FPD	$	100,000.00
Village of LaGrange Park FD	$	12,500.00
Village of Lyons FPD		100,000.00
Village of North Riverside Fire Department	$	12,500.00
Win-Bir-Sew Fire Protection District	$	27,960.00
Wonder Lake FPD		100,000.00
Total Outstanding	$	1,672,960.00
Total Number of Borrowers		**22**

In January a new loan was disbursed in the amount of $100,000.

ILLINOIS ENVIROMENTAL PROTECTION AGENCY
LISTING OF
LOAN AWARDS
FROM SEPTEMBER 1,2016 THROUGH MARCH 31, 2017

Project Number	Borrower Name	County	Loan Date	Loan Amount
L174840	Salt Creek S.D.	DuPage	9/6/2016	8,135,738.00
L175054	Wheaton S.D.	DuPage	10/3/2016	811,685.00
L175214	Rock River Water Reclamation District	Winnebago	10/4/2016	18,628,750.96
L175372	Metropolitan Water Reclamation District of Greater Chicago	Cook	10/4/2016	1,442,000.00
L175107	Evanston	Cook	10/11/2016	1,634,816.00
L175349	Aviston	Clinton	10/11/2016	2,036,164.78
L175231	Carmi	White	10/18/2016	1,500,000.00
L175371	Metropolitan Water Reclamation District of Greater Chicago	Cook	10/18/2016	1,497,032.90
L175377	Fox Lake	Lake	10/18/2016	2,334,494.64
L175380	Buckley	Iroquois	10/18/2016	235,063.84
L175323	Chicago	Cook	10/21/2016	8,112,157.81
L174972	Taylorville	Christian	11/1/2016	2,860,474.68
L175123	Taylorville	Christian	11/1/2016	1,017,000.00
L174555	Metropolitan Water Reclamation District of Greater Chicago	Cook	11/20/2016	150,545,633.36
L175244	Benton	Franklin	11/21/2016	13,424,136.00
L174906	Trenton	Clinton	11/22/2016	5,596,032.00
L175353	Fox River Water Reclamation District	Kane	12/7/2016	12,925,390.00
L175384	Chicago	Cook	12/7/2016	22,326,600.00
L175035	Collinsville	Madison	12/12/2016	18,505,957.30
L175184	Hennepin Public Water District	Putnam	12/21/2016	1,262,400.00
L175096	Windsor, City of	Shelby	12/28/2016	289,349.05
L175237	Moweaqua	Shelby	12/28/2016	3,182,000.00
L175317	Wauconda	Lake	1/11/2017	1,683,487.47
L175357	Central Lake County Joint Action Water Agency	Lake	1/31/2017	5,076,836.19
L175329	Decatur	Macon	2/6/2017	9,203,831.00
L175296	Oregon	Ogle	2/14/2017	2,600,035.00
L172685	Hopedale	Tazewell	3/7/2017	2,512,400.00
L174245	Batavia	Kane	3/7/2017	30,000,000.00
L175225	Lockport	Will	3/10/2017	2,320,580.00
L175333	Champaign	Champaign	3/10/2017	12,416,984.05
L175162	Metropolitan Water Reclamation District of Greater Chicago	Cook	3/24/2017	8,656,068.50
L175243	Bartelso	Clinton	3/29/2017	1,507,937.00
			Total Loan Awards	354,281,035.53
			Total Borrowers	32

From January 4 to March 31, 2017; 13 new loans were awarded for a total amount of $80.7 million.

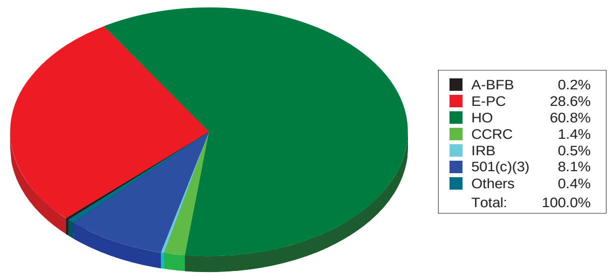
IFA ILLINOIS FINANCE AUTHORITY

Bonds Issued - Fiscal Year Comparison
for the Period Ending March 31, 2017

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

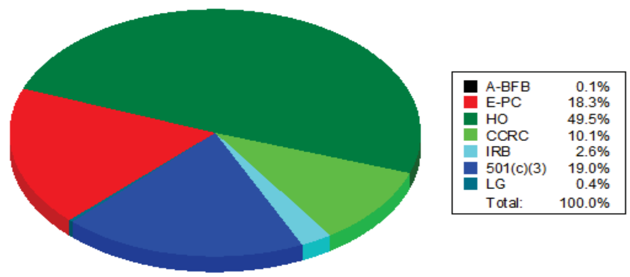
Bonds Issued in Fiscal Year 2015



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

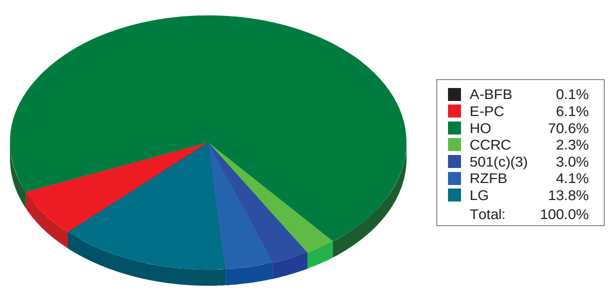
Bonds Issued in Fiscal Year 2016



Fiscal Year 2017

#	Market Sector	Principal Issued
11	Agriculture - Beginner Farmer	2,029,900
4	Education	221,755,000
14	Healthcare - Hospital	2,566,942,000
2	Healthcare - CCRC	84,570,000
5	501(c)(3) Not-for-Profit	110,810,000
2	FTFRB/RZFB	149,651,409
1	Local Government	500,000,000
39		$3,635,758,309

Bonds Issued in Fiscal Year 2017



Bond Issuance Analysis

The Authority issued $169,283,909 in conduit debt during the month of March, 2017. This is 70% higher than March, 2016 at $50,147,720. This is also 60% lower than the previous month's issuance at $419,462,500. Total issuance for FY 2017 is $3,635,758,309. This is 41% higher than the same period as of March 31, 2016 at $2,138,507,495. The IFA issued four conduit bonds and one beginner farmer bond in March, 2017. These bonds are 4.7% of the total issuance for the FY 2017.

ILLINOIS FINANCE AUTHORITY

Bonds Issued and Outstanding as of March 31, 2017

Bonds Issued between July 01, 2016 and March 31, 2017

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginning Farmer Bonds	07/01/2016	Variable	1,569,900	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
501(c)(3)	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
E-PC	DePaul University	09/01/2016	Fixed at Schedule	122,780,000	115,000,000
LG	Clean Water Initiative	09/12/2016	Fixed at Schedule	500,000,000	0
HO	OSF HealthCare System	09/27/2016	Fixed at Schedule	114,375,000	100,710,000
HO	Riverside Medical Center	09/27/2016	Fixed at Schedule	79,545,000	79,545,000
CCRC	The Moorings of Arlington Heights, LLC	09/30/2016	Fixed at Schedule	69,615,000	0
HO	The University of Chicago Medical Center	11/02/2016	Fixed at Schedule	187,320,000	187,320,000
501(c)(3)	Museum of Contemporary Art Chicago	10/27/2016	Variable	30,000,000	0
HO	The Carle Foundation A&B	11/08/2016	Variable	184,385,000	56,000,000
HO	The Carle Foundation A&B	11/08/2016	Variable	50,000,000	0
HO	Swedish Covenant Hospital Series 2016A	12/12/2016	Fixed at Schedule	107,725,000	49,525,000
501(c)(3)	Ness HealthCare NFP	11/10/2016	Fixed at Schedule	31,490,000	0
HO	Rehabilitation Institute of Chicago	12/01/2016	Variable	274,055,000	274,055,000
E-PC	Elmhurst College	12/12/2016	Variable	20,200,000	20,000,000
501(c)(3)	Lake Forest Open Lands Association	12/22/2016	Fixed at Schedule	10,000,000	10,000,000
HO	Swedish Covenant Hospital - B&C	12/14/2016	Variable	49,200,000	49,200,000

501(c)(3)	Oak Park Residence Corporation	01/05/2017	Fixed at Schedule	20,000,000	17,000,000
A-BFB	Beginning Farmer Bond	01/01/2017	Variable	460,000	0
CCRC	Covenant Retirement Communities, Inc.	02/01/2017	Variable	52,070,000	52,070,000
HO	Southern Illinois Healthcare Enterprises, Inc.	02/16/2017	Fixed at Schedule	78,890,000	0
HO	Edward-Elmhurst Healthcare	02/14/2017	Fixed at Schedule	288,175,000	288,175,000
RZFB	Smart Hotels, LLC	03/09/2017	Variable	19,651,409	19,651,409
HO	Harrisburg Medical Center	03/14/2017	Variable	19,500,000	0
FTFRB	CenterPoint Joliet Terminal Railroad, LLC	03/23/2017	Variable	130,000,000	0
			Total Bonds Issued as of March 31, 2017	**$3,635,758,309**	**$ 2,490,643,409**

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 March 31, 2017

Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
07/29/2016	3.25	122,400	40.00	Jasper
09/08/2016	3.00	83,750	45.00	Richland
09/08/2016	3.25	401,000	45.00	Edgar
09/15/2016	3.25	47,500	40.00	Clay
09/15/2016	3.25	47,500	40.00	Clay
11/01/2016	3.25	242,250	99.55	Richland
12/30/2016	3.25	520,000	97.17	Montgomery
12/30/2016	3.25	105,500	40.00	Richland
02/16/2017	3.25	192,500	37.00	Jasper
02/16/2017	3.39	135,000	60.00	Jasper
03/10/2017	3.25	132,500	37.00	Jasper
Total Beginner Farmer Bonds Issued		**$ 2,029,900**	**580.72**	

ref: H:\Board Book Reports\Bonds Issued by Fiscal Year-Board Book-Activity Report.rpt

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section I (a)

	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 48,260,274	$ 50,290,174		
Education	4,445,960,359	4,345,591,983		
Healthcare	14,405,422,474	15,296,873,936		
Industrial Development [includes Recovery Zone/Midwest Disaster]	777,192,893	884,448,151		
Local Government	315,810,000	786,500,000		
Multifamily/Senior Housing	157,262,660	153,900,810		
501(c)(3) Not-for Profits	1,565,340,114	1,614,549,974		
Exempt Facilities Bonds	149,915,000	149,915,000		
1 **Total IFA Principal Outstanding**	**$ 21,865,163,774**	**$ 23,282,070,027**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	77,000,000	77,000,000		
Industrial Development	205,383,747	186,690,244		
Local Government	263,060,103	222,677,364		
Multifamily/Senior Housing	83,679,117	82,249,117		
501(c)(3) Not-for Profits	607,654,373	529,846,167		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	**$ 1,237,273,728**	**$ 1,098,959,279**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 617,984,999**	**$ 305,855,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 537,193,000**	**$ 492,732,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 13,436,353**	**$ 13,436,353**		
Total Illinois Finance Authority Debt	**$ 24,271,051,854**	**$ 25,193,052,659**	**$ 28,150,000,000**	**$ 2,956,947,341**

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

Section I (b)

	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity
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	33,425,000		
Total General Moral Obligations	**$ 34,885,000**	**$ 33,425,000**	**$ 150,000,000**	**$ 116,575,000**

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

	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	99,938,207	599,928,025		
Total State Component Unit Bonds	**$ 99,938,207**	**$ 599,928,025**		

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 June 30, 2016	Principal Outstanding March 31, 2017	Remaining MDAB Volume Cap
Midwestern Disaster Area Bonds [Flood Relief]	**$ 64,440,918**	**$ 63,826,985**	**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 QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. *IFA's remaining QECB allocation of $4,755,783 has been reserved for use by state universities.*

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section II	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity
Illinois Power Agency	$ -	$ -	$ 4,000,000,000	$ 4,000,000,000

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	$ -	$ -	$ 3,000,000,000 [d]	$ 3,000,000,000

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

Section IV	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,102,885	**$ 6,824,437**	**$ 6,734,456**	**$ 160,000,000**	**$ 153,265,544**	**$ 5,724,287**
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,922,685	**$ 7,111,930**	**$ 4,252,703**	**$ 225,000,000 [e]**	**$ 220,747,297**	**$ 3,614,798**
Agri Industry Loan Guarantee Program	$ 3,693,098	$ 532,147			452,325
Farm Purchase Guarantee Program	886,805	878,248			746,511
Specialized Livestock Guarantee Program	1,681,563	2,158,554			1,834,771
Young Farmer Loan Guarantee Program	850,464	683,754			581,191
Total State Guarantees	**$ 13,936,368**	**$ 10,987,159**	**$ 385,000,000**	**$ 374,012,841**	**$ 9,339,085**

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

Section V			Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Cash and Investment Balance
155	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 21,265,564**	**$ 20,057,851**	**$ 2,837,942**
22	Ambulance Revolving Loan Program	**Fund # 334**	**$ 247,280**	**$ 1,672,960**	**$ 2,556,190**

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

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

Section VI	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 15,535,000	$ 14,575,000		
Issued through IDFA	110,520,000	97,505,000		
Total Environmental [Large Business]	**$ 126,055,000**	**$ 112,080,000**	**$ 2,425,000,000**	**$ 2,312,920,000**
Environmental [Small Business]	$ -	$ -	**$ 75,000,000**	**$ 75,000,000**
Total Environment Bonds Issued under Act	**$ 126,055,000**	**$ 112,080,000**	**$ 2,500,000,000**	**$ 2,387,920,000**

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding June 30, 2016	Principal Outstanding March 31, 2017
Participation Loans			
Business & Industry	**23,020,158**	**422,129**	**102,218**
Agriculture	**6,079,859**		
Participation Loans excluding Defaults & Allowances	**29,100,017**	**422,129**	**102,218**
Plus: Legacy IDFA Loans in Default		**843,173**	**843,173**
Less: Allowance for Doubtful Accounts		**960,726**	**942,574**
Total Participation Loans		**288,943**	**2,817**
Local Government Direct Loans	**1,289,750**	**103,000**	**627,638**
Rural Bond Bank Local Government Note Receivable		**17,179,937**	**12,069,137**
FmHA Loans	**963,250**	**185,778**	**164,817**
Renewable Energy [RED Fund]	**2,000,000**	**1,206,055**	**1,132,585**
Total Loans Outstanding	**34,353,017**	**18,963,713**	**13,996,994**

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 June 30, 2016	Principal Outstanding March 31, 2017	Statutory Debt Limitation	Remaining HELA Debt Limitation
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

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
April 13, 2017

I. CONTRACTS/AMENDMENTS EXECUTED					
A. Illinois Procurement Code-Small Purchases	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
	Neopost	07/25/17 - 07/25/18	$581.40	New rental agreements executed.	Postage meter renewal Chicago.
	Neopost	08/02/17- 08/02/18	$406.68	New rental agreements executed.	Postage meter renewal Mt. Vernon.
	USPS	04/01/17- 03/31/18	$356	Purchased	PO Box.
	Xerox	04/01/17 - 03/31/20	$18,008.64	New lease agreements executed.	3 Copiers leased - Chicago
	Xerox	04/01/17 - 03/31/20	$5,082.48	New lease agreements executed.	1 Copier leased – Mt. Vernon
	Com Microfilm Company, Inc.	04/18/17- 04/17/18	$75,000	Agreement executed	Imaging services of archived materials.
B. Illinois Procurement Code-Competitive Bids/Proposals	MABSCO Capital Inc.	04/01/17 – 03/31/20	$125,000	Agreement executed	Service Agency Loan portfolio and Loan Programs.
	Catalyst Group Inc.	04/01/17 – 03/31/20	$108,000	Agreement executed	Provide personnel as needed to maintain and advise on Agency IT and phone systems.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
April 13, 2017

I. CONTRACTS/AMENDMENTS EXECUTED					
	Vendor	**Initial Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
C. Illinois Procurement Code-Pursuant to the Exemption	Acacia Financial Group	3/16/17-03/01/18	$225,000	Amendment executed	Financial advisory services.
	Sycamore Advisors, LLC	3/16/17-03/01/18	$225,000	Amendment executed	Financial advisory services.
	Burke, Burns & Pinelli, Ltd.	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Charity & Associates, P.C.	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Franczek Radelet P.C.	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Greenberg Traurig, LLP	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Hart, Southworth & Witsman	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Katten Muchin Rosenman LLP	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Miller, Hall & Triggs, LLC	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Nixon Peabody	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Quarles & Brady	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services
	Schiff Hardin LLP	02/17/17 – 02/16/21	$114,285.71	Contract executed	Legal Services

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
April 13, 2017

I. CONTRACTS/AMENDMENTS EXECUTED					
D . Illinois Procurement Code – State Master	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
	Mesirow Insurance Services	TBD	$297,900	Join to Master Contract Agreement executed	Insurance Brokerage Services Commission.

II. SOLICITATIONS					
A. Illinois Procurement Code-Pursuant to the Exemption	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
				TBD	

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
April 13, 2017

III. EXPIRING CONTRACTS					
A. Anticipation of Litigation	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
	N/A	N/A	N/A	N/A	N/A
B. Illinois Procurement Code-Pursuant to the Exemption	ADP Total Source, Inc.	05/31/17	$353,578	Proposed Sole Source Procurement	Employee Benefits and Payroll Services.
	Merrill Lynch	07/25/17	N/A	To create Request for Qualifications solicitation	Underwriters for State of Illinois Revolving Fund
	Siebert Brandford Shank & Co., LLC	07/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Citigroup Global Markets, Inc.	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Jefferies LLC	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	J.P. Morgan Securities LLC	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Loop Capital Markets, LLC	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Morgan Stanley	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Piper Jaffray & Co.	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Raymond James	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund
	Samuel A. Ramirez & Co., Inc.	7/31/17	N/A	To create Request for Qualification solicitation	Underwriters for State of Illinois Revolving Fund

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
April 13, 2017

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
A. Illinois Procurement Code-Small Purchases	Accounting Principles	04/28/17	$70,000	Replaced by Premier Staffing Services	Temporary Staffing Services.
	Hewlett Packard Enterprise Support	05/04/17	$3,846	To execute a new agreement with incumbent	IT Hardware Support Care Packs.
	MicroTek	05/17/17	$9,500	Project completed. Will not be renewed.	Training Room Rentals.
	Hewlett Packard Enterprise Hardware	05/18/17	$3,878	To execute a new agreement with incumbent	MailArchiva Server Hardware.
	GoDaddy	06/15/17	$297	To purchase again via SPW with incumbent.	Standard Multiple Domain SSL Renewal (il-fa.com).
	MX Save	06/12/17	$588	To purchase again via SPW with incumbent.	Disaster Recovery/Mailbag Service.
	GoDaddy	10/23/17	$150	To purchase again via SPW with incumbent.	SSL Certificate for Mobile Device Management. (*il-fa.com)
	Mesirow Insurance Services	06/20/17	$300,000	Join to Master Contract. To execute a new agreement with incumbent	Insurance Brokerage Services.
	ADP/EZLabor	06/30/17	$1,008	To execute a new agreement with incumbent	Employee Timesheet Module.
	HPL & S, Inc.	06/30/17	$5,000	Proposed Small Purchase Procurement	401A Plan Administrator.
	US Bank National Association	06/30/17	$18,000	Proposed Small Purchase Procurement	Local Gov't Paying Agent/Custodian.

BOARD OF DIRECTORS MEETING
April 13, 2017

III. EXPIRING CONTRACTS (cont'd)

	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
A. Illinois Procurement Code-Small Purchases	CDW Government LLC	06/30/17	$264	To purchase again via SPW with incumbent.	Smart Net, Cisco firewall 5510.
	Com Microfilm Company, Inc.	06/30/17	$16,948	TBD, possibly with State Master	Docuware Maintenance.
	Midwest Moving & Storage	06/30/17	$48,840	Vendor replaced. Will not be renewed.	Storage.
	Novanis IT Solutions	06/30/17	$342	To purchase again via SPW with incumbent.	McAfee End Point Encryption.
	Pickens Kane	06/30/17	$30,000	Vendor replaced. Will not be renewed.	Records management services.
	Presidio Networked Solutions	06/30/17	$3,292	To do quote.	Production Support/subscription for VMware.
	Swift Impressions	06/30/17	$12,000	To do quote.	Printing Services for the Monthly Board Book.
	The On Time Courier	06/30/17	$5,000	Replace with State Master CMS6914970	Messenger Service.
	TRI Industries	06/30/17	$986	No BOA required. Overstock. Continue as needed with State Master 4017397. Expires 2019.	Toner.
	United Parcel Service	06/30/17	$12,000	Continue with State Master CPOGS15001. Expire 11/21/17.	Package Delivery.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
April 13, 2017

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Services Provided**
A. Illinois Procurement Code-Small Purchases	GoDaddy	8/10/2017	$543	To purchase again via SPW with incumbent.	Web Hosting Server.
	P.D. Morrison Enterprises	8/23/17	$50,000	Continue with State Master 4017241. Expires 08/23/17.	Office Supplies.
	Bloomberg Finance L.P.	9/8/17	$42,000	To purchase again as Sole Source	Shared license for 6 users.
	Anchor Staffing	9/28/17	$79,081	Vendor replaced. Will not be renewed.	Temporary staffing services.
	Wellspring Software, Inc.	10/16/2017	$140	To purchase again via SPW with incumbent.	PrintBoss Software for printing checks.
	Datalock	10/24/2017	$265	To purchase again via SPW with incumbent.	Mt Vernon shredding.
	Marzullo Reporting Agency, Inc.	10/31/17	$15,000	To execute a new agreement with incumbent	Monthly Board Meeting.
	Network Solutions	12/20/17	$38	To purchase again via SPW with incumbent.	For site URL.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher and Patrick Evans

Date: April 13, 2017

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $524,200 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $258,000**
- **Calendar Year Summary:** (as of April 13, 2017)
  - Volume Cap: $10,000,000
  - Volume Cap Committed: $1,984,700
  - Volume Cap Remaining: $8,015,300
  - Average Farm Acreage: 78
  - Number of Farms Financed: 7
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - IFA conveys tax-exempt, municipal bond status onto the financing
    - Will use dedicated 2017 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

A. Project Number:	**30386**
Borrower(s):	**Wendling, Benjamin & Amberlyn**
Borrower Benefit:	First Time Land Buyer
Town:	Effingham, IL
IFA Bond Amount:	**$258,000.00**
Use of Funds:	Farmland –80 acres of farmland
Purchase Price:	$516,000 / $6,450 per acre
% IFA Bonds	50% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency ("FSA")	45% *(Subordinate Financing – 2nd Mortgage)*
% Borrower Equity	5%
Township:	Union
Counties/Regions:	Effingham / Southeastern
Lender/Bond Purchase:	Peoples State Bank of Newton / Brian Bohnhoff
Legislative Districts:	Congressional: 15 State Senate: 55 State House: 109

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin on June 15, 2018. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on June 15, 2018 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

April 13, 2017

$10,000,000 (not-to-exceed amount)
Muirfield West LLC (Camcraft, Inc. Project)

REQUEST	**Purpose:** The Bonds will be issued in one or more series and proceeds will be loaned to **Muirfield West LLC**, an Illinois limited liability company (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of (i) the acquisition of currently vacant land and the construction thereon of an approximately 100,000 square foot ("SF") building to be located in Brewster Creek Business Park Bartlett (DuPage County), Illinois, the acquisition and installation of equipment for use therein, all to be used as manufacturing facilities (the "**Project**"), to be owned by the Borrower and leased from the Borrower for operation by (i) **Camcraft, Inc.**, an Illinois corporation ("**Camcraft**") for producing engine components for cars, trucks, and construction equipment with its street address being 1367 Schiferl Road, Bartlett, Illinois, within the Brewster Creek Business Park, and (ii) **Matrix Design LLC**, an Illinois limited liability company ("**Matrix**") for developing and building robotic automation systems with its street address being 1361 Schiferl Road, Bartlett, Illinois, within the Brewster Creek, Business Park, and to pay all or a portion of permissible costs relating to the issuance of the Bonds. **Program:** Industrial Revenue Bonds **Volume Cap required:** This Project is expected to require up to $9.3 million of 2017 IFA Volume Cap. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	**Request for Final Bond Resolution** **Preliminary Bond Resolution – June 11, 2015:** 9 Yeas; 0 Nays; 0 Answering Present; 3 Absent (Goetz; Knox; Leonard); 3 Vacancies **Material Changes:** refinement in project description, budget, and jobs; addition of Matrix Design LLC as a second affiliated tenant of the Borrower.
JOB DATA (SEE P. 3 FOR EXPLANATION)	359 (Hanover Park and South Elgin) — Current jobs — 5-15 *(plus 145 transfers from existing locations)* — New jobs projected - Bartlett (within 2 years of completion) N/A — Retained jobs — 30 avg. (50 peak) — Construction jobs projected (8 months)
BORROWER DESCRIPTION	● Type of business: Camcraft is a manufacturer of precision machined engine components for Original Equipment Manufacturers (OEMs) in the automotive, heavy duty truck, and construction equipment markets while Matrix designs and manufactures robotic automation systems. Many of Camcraft and Matrix' customers are among the largest industrial companies in the world and include Caterpillar, Cummins, Eaton, GM, and Parker Hannifin. ● Location: Bartlett/DuPage/Northeast ● The proposed project will enable both Camcraft, Inc. (and its Matrix Design LLC affiliate) to expand manufacturing capacity and capabilities, while supporting additional customer growth and new customer product development plans.
CREDIT INDICATORS	● The Series 2017 Bonds will be purchased directly by First American Bank Corporation ("First American"). First American is the primary relationship bank and provides the Borrower (and affiliates) with loans and other credit facilities. (As with all of the Authority's privately-held manufacturing borrowers, the Borrower and its affiliates are not rated entities.)
STRUCTURE	● Term: 21 year final maturity (April 2038) ● Rate: The Series 2017 Bonds will be issued in one or more series and purchased directly by First American Corp. The Bonds are expected to bear an interest rate ranging between 2.75% and 3.75% for the initial term (through April 2028).
SOURCES AND USES	**Sources:** IFA Bond $9,300,000; Equity 3,104,000; **Total $12,404,000** **Uses:** New Project $12,220,000; Costs of Issuance 184,000; **Total $12,404,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2017

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

STATISTICS

IFA Project:	I-ID-TE-CD-8740/12285	Amount:	$10,000,000 *(not-to-exceed amount)*
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Bartlett	County/ Region:	DuPage / Northeast

BOARD ACTION

Final Bond Resolution	
Conduit Industrial Revenue Bond	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution – June 11, 2015: 9 Yeas; 0 Nays; 0 Answering Present; 3 Absent (Goetz; Knox; Leonard); 3 Vacancies

PURPOSE

Bond proceeds will be loaned to **Muirfield West LLC**, an Illinois limited liability company (the "**Borrower**" and "**Project Owner**"), and an affiliate of **Camcraft, Inc. and Matrix Design LLC** (together, Camcraft and Matrix are the "**Tenants**", "**Operating Companies**", and "**Corporate Guarantors**") for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of acquiring land, and constructing and equipping a new manufacturing facility to be owned by the Borrower and leased to the Operating Companies and to be located in the Brewster Lake Business Park in Bartlett (DuPage County), Illinois, paying capitalized interest, and paying bond issuance costs (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying manufacturing projects. IFA's issuance of the Industrial Revenue Bond will enable the Borrower to obtain a lower interest rate on this capital project. IFA will provide up to $9.3 million of 2017 Volume Cap for the project.

SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bond	$9,300,000	New Project Cost:	$12,220,000
Equity	3,104,000	Costs of Issuance:	184,000
Total	**$12,404,000**	**Total**	**$12,404,000**

JOBS

Current employment:	249 – Camcraft (Hanover Park) 110 – Matrix (South Elgin)	New jobs projected:	5-15; plus 145 transfers; 35 from Hanover Park (Camcraft); and 110 from South Elgin (Matrix) 1
Jobs retained:	N/A	Construction jobs projected:	30 on average (50 peak); (8 months)

Note: As presently contemplated, the Borrower/Camcraft/Matrix expects that 35 Camcraft employees will transfer to the new Bartlett facility while all 110 Matrix employees will transfer from a leased facility in South Elgin.

Comment on location of new Bartlett facility: The new Bartlett manufacturing facility is located approximately 6 miles due west of Camcraft's Hanover Park facility and approximately 6 miles due east of Matrix Products LLC's leased facility in South Elgin (see the second map on p. 7).

FINANCING SUMMARY

Structure/Credit Enhancement: The conduit Industrial Revenue Bonds will be issued in one or more series and purchased directly by First American Bank Corporation (and effectively structured as a tax-exempt commercial loan).

First American Bank will be the secured lender and is expected to cross-collateralize and cross-default the subject Bonds with all other credit facilities originated on behalf of the Borrower and its affiliated tenants (i.e., Camcraft and Matrix, and collectively, the "**Tenants**"). Additionally, the Bank will be secured by (i) a Collateral Assignment of Rents and Leases from the Tenants (i.e., Camcraft and Matrix) and (ii) Corporate Guarantees from Camcraft and Matrix.

Interest Rate: The Bonds will be sold in one or more series and will be purchased directly by First American Bank Corp. as a direct investment and expected to bear an initial interest rate that would be fixed initially through 4/1/2018 (i.e., 11 years; or approximately 10 years after completion of construction) with interest rates ranging between 2.75% and 3.75% depending on the term of each underlying bond (which will match the life of the underlying asset securing the subject bond). The final interest rates will also reflect market conditions at the time of closing.

Bank Collateral: First American Bank Corp. will be secured by a first lien on the financed equipment, a first mortgage interest on the subject real estate, a collateral assignment of rents and leases, and corporate guarantees from Camcraft, Inc. and Matrix Design LLC.

Maturity: 21 Years – Final Maturity Date (assumed at 4/1/2038 based on issuance in April 2017); 10-year final maturity date anticipated on real estate.

The Bonds are expected to have an initial term through April 1, 2028, at which time the interest rate would be reset (subject to mutual acceptance of terms by the Borrower and Bank).

Closing: Late April 2017

BUSINESS SUMMARY

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

Camcraft, Inc. is an Illinois corporation established in 1986. The current owners of Camcraft, Inc. purchased the Company in 1986 and purchased ownership of Matrix Design LLC in 2013.

Camcraft, Inc. was established in 1950. Camcraft and Matrix will each be an Operating Company/Corporate Guarantor/Lessee of the Project.

Owners of 7.5% or more of (i) Muirfield West LLC, (ii) Camcraft, Inc., and (iii) Matrix Design LLC are identified in the Economic Disclosure Statement section of this report (see pp. 5-6).

Background: **About Camcraft, Inc.:** Camcraft was purchased by the Bertsche family in 1986. At that time the Company employed 50. Poised for growth, the Bertsche family relocated Camcraft to expanded facilities in Hanover Park, where the Company now employs 249 (with 35 due to transfer to the new manufacturing facility financed with the Series 2017 Bonds upon completion; the new Bartlett facility is located 6 miles due west of Camcraft's Hanover Park facility).

Camcraft works with its OEM customers to design, engineer, and manufactures precision machined components for cars, heavy duty trucks, and construction equipment. Applications include fuel injector bodies and nozzles, control valves (used in variable valve timing, stability control systems, and continuously variable transmissions), hydraulic components for industrial applications, and large scale products (e.g., fuel system parts for diesel locomotives and marine engine high pressure pumps and other industrial applications). Customers are concentrated in North America and include many of the largest OEM manufacturers in the world (including Caterpillar and Cummins).

Prior IFA (IDFA) Series 1993 Bonds for Camcraft, Inc.: In December 1993, the Illinois Development Finance Authority issued $4.2 million of Industrial Revenue Bonds on behalf of Camcraft, the proceeds of which were used to finance the acquisition of manufacturing equipment and various improvements. Camcraft redeemed its IDFA Series 1993 Bonds as of 11/1/2011 (almost 3 years in advance of 7/1/2014, the original final maturity date). All payments were made as scheduled.

Website link (home page scans the factory floor and demonstrates jobs in process): www.camcraft.com . Also see YouTube.com – type "Camcraft, Inc." in search box.

About Matrix Design LLC: Matrix works closely with end users to develop, build, and install robotic automation systems. Specializing in machine tending, deburring, and a range of material handling systems, Matrix has built a reputation for designing and delivering the most optimal and robust industrial automation systems to manufacturers worldwide. Matrix customers include Borg Warner, Cummins, Inc., Eaton, Inc., Fiat Chrysler, General Motors Corp., and Parker Hannifin. Matrix currently employs 110, all of whom will relocate to the new combined Camcraft/Matrix Design LLC building in Bartlett.

Matrix has been affiliated under common ownership with Camcraft and Muirfield West LLC since 2013.

Website link: www.matrixdesignllc.com . Also see YouTube at the following link (or type "Matrix Design, LLC" in search box:
https://www.youtube.com/channel/UCi_Mz4TBvPnYXMdZjA0nVaA

Rationale: This Project will enable both Camcraft, Inc. and its Matrix Design LLC affiliate to diversify and expand manufacturing capabilities and capacity in order to satisfy customer demand. Tax-exempt Industrial Revenue Bond financing will enable the companies to finance this capital expansion project at the lowest possible interest cost. Camcraft and Matrix will each be able to divert savings attained with the IFA Bonds to invest in additional equipment or other capital expenditures.

Camcraft's operations are currently based in an approximately 85,000 SF facility at 1080 Muirfield Dr., Hanover Park. The new Bartlett facility will be located approximately 6.1 miles west of Camcraft's Hanover Park facility, thereby enabling the Hanover Park facility to provide engineering and other technical support to the new, Bartlett facility.

Additionally, the new facilities will enable Camcraft's Matrix Design LLC automation equipment affiliate to expand its production capacity while providing room to accommodate future expansion. Matrix currently operates in approximately leased space totaling approximately 35,000 SF and is located approximately 6.2 miles west of the new subject project in Bartlett (and approximately 12.3 miles west of Camcraft's existing facility in Hanover Park).

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be loaned to **Muirfield West LLC**, an Illinois limited liability company (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of (i) the acquisition of currently vacant land and the construction thereon of an approximately 100,000 square foot ("SF") building to be located in Brewster Creek Business Park Bartlett (DuPage County), Illinois, the acquisition and installation of equipment for use therein, all to be used as manufacturing facilities (the "**Project**"), to be owned by the Borrower and leased from the Borrower for operation by (i) **Camcraft, Inc.**, an Illinois corporation ("**Camcraft**") for producing engine components for cars, trucks, and construction equipment with its street address being 1367 Schiferl Road, Bartlett, Illinois, within the Brewster Creek Business Park, and (ii) **Matrix Design LLC**, an Illinois limited liability company ("**Matrix**") for developing and building robotic automation systems with its street address being 1361 Schiferl Road, Bartlett, Illinois, within the Brewster Creek, Business Park, and to pay all or a portion of permissible costs relating to the issuance of the Bonds.

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

Estimated Project costs consist of the following (subject to change):

Land	$1,584,000
Building (including Arch./Eng./Pre-Devel. Costs)	9,836,000
Machinery & Equipment	800,000
Total New Money Project Costs	**$12,220,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Muirfield West LLC, c/o Mr. James O'Donnell, Vice President, Camcraft, Inc., 1080 Muirfield Drive, Hanover Park (DuPage County), IL 60153; Ph.: 630-263-1376
Website:	www.camcraft.com
Project name:	IFA Industrial Revenue Bond (Camcraft, Inc. Project) - Series 2017
Locations:	1361 Schiferl Rd. and 1367 Schiferl Rd., Brewster Creek Business Park, Bartlett (DuPage County), IL 60103
Ownership Information:	All management employees or individuals holding a 7.5% or greater ownership (or LLC membership) interest (i.e., IFA's private company disclosure threshold) in Muirfield West LLC, Camcraft, Inc., and Matrix Design LLC are listed below:

Muirfield West LLC, an Illinois limited liability company (Borrower/Obligor and Lessor):

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

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

- Michael Bertsche, West Chicago, IL
- Patrick Bertsche, St. Charles, IL
- Bernard Bertsche, Campton Hills, IL

Matrix Design LLC, an Illinois limited liability company (Operating Company/Corporate Guarantor and Lessee/Tenant):

- Michael Bertsche, West Chicago, IL
- Patrick Bertsche, St. Charles, IL
- Bernard Bertsche, Campton Hills, IL

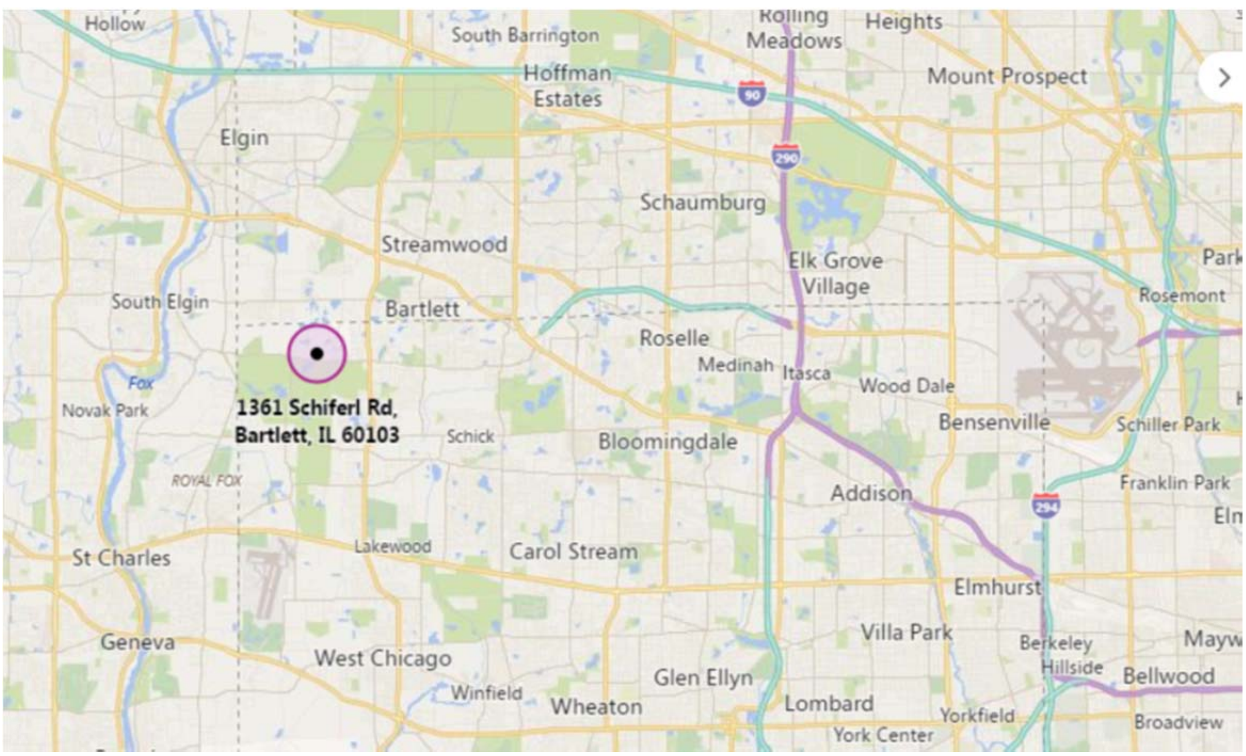
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Momkus McClusky LLC	Lisle, IL	Raya Bogard
External CPA:	CGJ Partners, LLP	Schaumburg, IL	Richard DeMayo
Bank (Direct Purchaser/ Lender):	First American Bank Corp.	Elk Grove Village, IL	Steve Eikenberry, Ross VanBeek
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Tom Smith
Bank Counsel:	First American Bank Corp. (in-house)	Elk Grove Village, IL	James Berton
IFA Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden

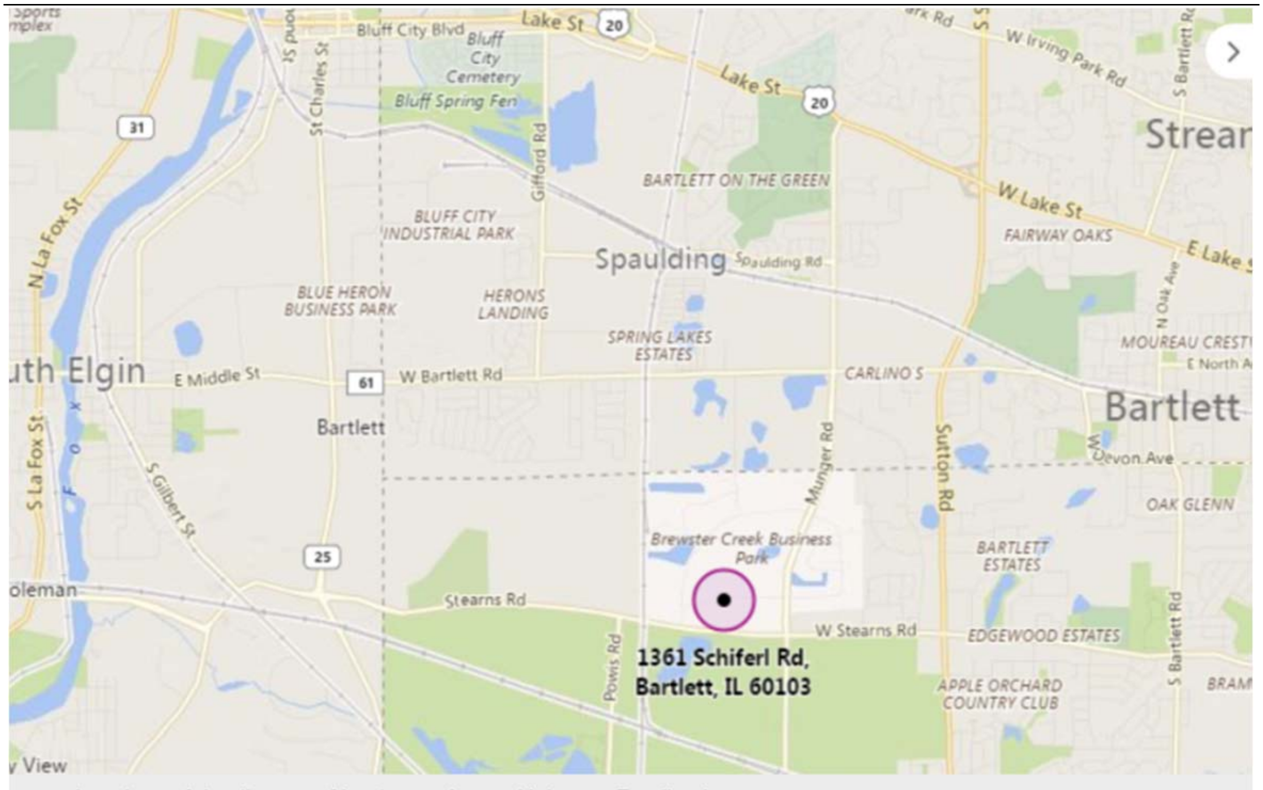
LEGISLATIVE DISTRICTS

Congressional:	6
State Senate:	25
State House:	49

PROJECT LOCATION – Area Map and Local Map

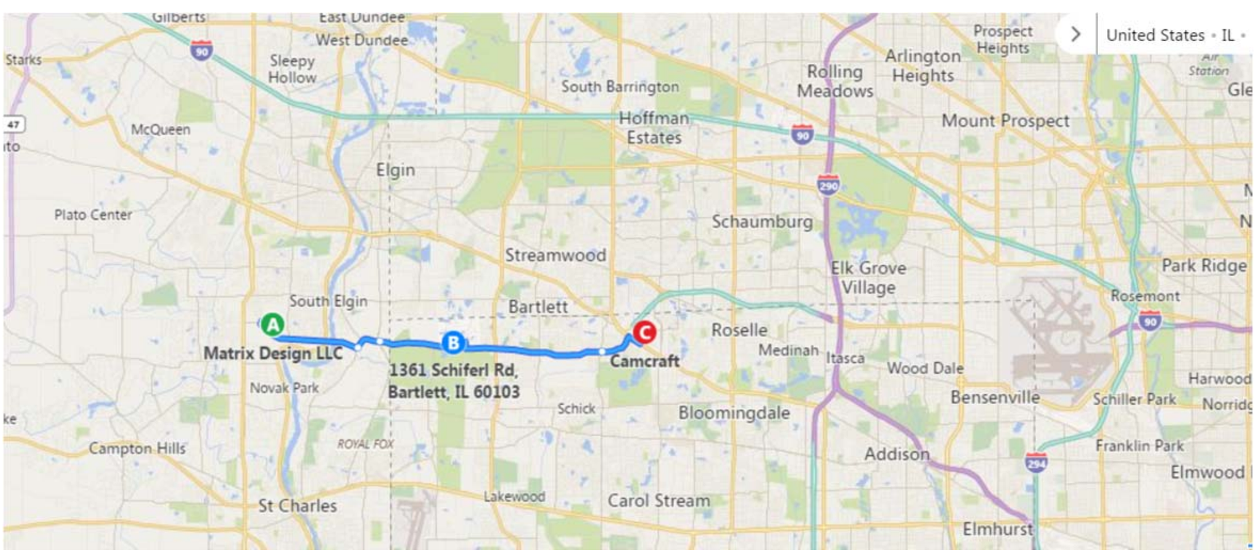


Source: Bing Maps



Source: Bing Maps

<u>Map of all 3 Sites- see below:</u> (A) South Elgin (Matrix Design- leased)
(B) New Bartlett Facility (Camcraft & Matrix Design)
(C) Existing Camcraft Facility (HQ) – primary mfg. facility



Source: Bing Maps

CONDUIT

April 13, 2017

$22,000,000 (not-to-exceed amount)
Pacific Oaks Education Corporation

REQUEST	**Purpose:** Note proceeds will be issued in one or more series and loaned to **Pacific Oaks Education Corporation**, a California nonprofit public benefit corporation (the "**Corporation**"), whose sole member is **TCS Education System**, an Illinois not for profit corporation (the "**Sole Member**") in order to finance (or reimburse), together with other funds, (i) costs of the acquisition by the Corporation of land and four buildings located at 45 Eureka Street (approximately 15,505 square feet), 55 Eureka Street (approximately 28,787 square feet), 433 North Fair Oaks Avenue (approximately 25,827 square feet) and 100 West Villa Street (approximately 5,823 square feet), all in Pasadena, California, (ii) costs of renovations to such building, including, but not limited to, the redesign of the library, classroom improvements, accessibility improvements such as ADA enhancements, creation of common spaces for students and external community events and additional and more functional workspaces for faculty, staff and students in the buildings located at 45 Eureka Street and 55 Eureka Street (the "**Project**"), and (iii) costs of issuance and other costs related to the Notes and the Project, which may include, without limitation, capitalized interest, reserves and/or working capital (collectively, the "**Financing Purposes**"). **Program:** 501(c)(3) Revenue Bonds **Extraordinary Conditions:** None. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution (Multi-State) (One-time consideration)
MATERIAL CHANGES	This is the first time this matter has been considered by the IFA Board of Directors.
JOB DATA	302 Current jobs (Pasadena, CA) — 63* New jobs projected N/A Retained jobs — 50* Construction jobs projected (6-12 months) ** Estimates pertain to new jobs and construction jobs at the Pasadena, CA campus.* ***Illinois Nexus:*** *POEC's TCS parent is headquartered in Chicago (TCS employs 130 in Chicago). Additionally, TCS' Chicago School of Professional Psychology has the largest campus in the TCS system with 1,363 students.*
BORROWER DESCRIPTION	● Location (being financed with bond proceeds): Pasadena, California ● Type of entity: Pacific Oaks Education Corporation is a California nonprofit public benefit corporation, formerly known as Pacific Oaks, and is comprised of Pacific Oaks College and Pacific Oaks Children's School. ● Since 1959, Pacific Oaks College has prepared students to be culturally intelligent agents of change serving diverse communities in the fields of human development, education, and related family studies. Pacific Oaks Children's School, founded in 1945, provides programs for children ages six months through six years of age. ● As of June 1, 2010, TCS Education System, an Illinois not-for-profit corporation and Type II 501(c)(3) supporting organization, became the sole member of Pacific Oaks Education Corporation.
CREDIT INDICATORS	● The Borrower (Pacific Oaks Education Corporation) and its sole member (TCS Education System) are non-rated entities. ● The IFA 501(c)(3) Revenue Notes (Pacific Oaks Education/TCS Education System Project), Series 2017A and Series 2017B will be purchased directly by **The PrivateBank** (the "**Bank**" or "**Bond Purchaser**"). The Bond Purchaser will be the secured lender and the direct bond investor on each series of bonds.
STRUCTURE	● The Bond Purchaser is expected to be secured by a Mortgage that grants a security interest in certain real and personal property of the Borrower and an Assignment of leases and rents on the properties located at 45 Eureka Street, 55 Eureka Street, 433 N. Fair Oaks Avenue, 100 W. Villa Street, and 714 W. California Boulevard. ● The Bond Purchaser will establish a variable interest rate for an initial term of 12 years, estimated at current conditions to be between 1.75% and 3.25% during the initial term for both series of bonds. ● The final maturity date will not exceed 25 years on either the Series 2017A or 2017B Notes.

SOURCES AND USES

Sources:		**Uses:**	
Series 2017A/B Notes	$19,000,000	Land/Building Acquisition	$21,500,000
Conventional Bank Loan	2,000,000	Rehabilitation	2,000,000
Equity	3,000,000	Costs of Issuance	500,000
Total	**$24,000,000**	**Total**	**$24,000,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2017

Project: Pacific Oaks Education Corporation

STATISTICS

IFA Project: 12382
Type: 501(c)(3) Revenue Bonds
Illinois Location: Chicago
Out of State Location: Pasadena, CA

Amount: $22,000,000 (not-to-exceed amount)
IFA Staff: Rich Frampton and Brad R. Fletcher
Illinois County/Region: Cook/Northeast

BOARD ACTION

Final Bond Resolution (Multi-State)
(One-time consideration)
Conduit 501(c)(3) Revenue Bond
Credit Review Committee recommends approval

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

This is the first time this financing has been presented to the IFA Board of Directors.

PURPOSE

Note proceeds will be issued in one or more series and loaned to **Pacific Oaks Education Corporation**, a California nonprofit public benefit corporation (the "**Corporation**"), whose sole member is **TCS Education System**, an Illinois not for profit corporation (the "**Sole Member**" or "**TCS**") in order to finance (or reimburse), together with other funds, (i) costs of the acquisition by the Corporation of land and four buildings located at 45 Eureka Street (approximately 15,505 square feet), 55 Eureka Street (approximately 28,787 square feet), 433 North Fair Oaks Avenue (approximately 25,827 square feet) and 100 West Villa Street (approximately 5,823 square feet), all in Pasadena, California, (ii) costs of renovations to such building, including, but not limited to, the redesign of the library, classroom improvements, accessibility improvements such as ADA enhancements, creation of common spaces for students and external community events and additional and more functional workspaces for faculty, staff and students in the buildings located at 45 Eureka Street and 55 Eureka Street (the "**Project**"), and (iii) costs of issuance and other costs related to the Notes and the Project, which may include, without limitation, capitalized interest, reserves and/or working capital (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

The subject Bonds will provide financing for the Borrower's projects outside Illinois as authorized pursuant to Sec. 801-5(o) of the Illinois Finance Authority Act 20 ILCS 3501 (the "Act"). The Act authorizes financing for projects located outside the State of Illinois that are "owned, operated, leased, managed, or otherwise affiliated with institutions located within the State… by creating employment opportunities in the State". The sole member of the Corporation is Chicago-based TCS Education System. TCS provides administrative services to all of its operating units nationally, including POEC (and POEC's California operations) and employs 130 in Chicago.

VOLUME CAP

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

JOBS

Current employment:	302 (Pasadena, CA)	Projected new jobs:	63*
Jobs retained:	N/A	Construction jobs:	50* (6-12 months)

*** *Estimates pertain to new jobs and construction jobs at the Pasadena, CA campus, and therefore, not Illinois.***

Illinois Nexus: *POEC's parent (TCS) is headquartered in Chicago and employs 130. Additionally, TCS' Chicago School of Professional Psychology has the largest campus in the TCS system with 1,363 students.*

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
Series 2017A/B Notes	$19,000,000	Land/Building Acquisition	$21,500,000
Conventional Bank Loan	2,000,000	Rehabilitation	2,000,000
Equity	3,000,000	Costs of Issuance	500,000
Total	**$24,000,000**	**Total**	**$24,000,000**

FINANCING SUMMARY

Structure/
Security: The IFA 501(c)(3) Revenue Notes (Pacific Oaks Education/TCS Education System Project), Series 2017A and Series 2017B will be purchased directly by **The PrivateBank** (the "**Bank**" or "**Bond Purchaser**"). The Bond Purchaser will be the secured lender and the direct bond investor on each series of bonds.

The Bond Purchaser is expected to be secured by a Mortgage that grants a security interest in certain real and personal property of the Borrower and an Assignment of Leases and Rents on the leased properties (located at 45 Eureka Street, 55 Eureka Street, 433 N. Fair Oaks Avenue, 100 W. Villa Street, and 714 W. California Boulevard in Pasadena, CA).

Interest Rate: The Bond Purchaser will establish a variable interest rate for an initial term of 12 years, estimated at current conditions to be between 1.75% and 3.25% during the initial term for both series of bonds.

Maturity: Not to exceed 25 years on either the Series 2017A or 2017B Notes

Underlying
Ratings: Not applicable. Pacific Oaks Education Corporation is currently a non-rated borrower.

Estimated
Closing Date: May 2017

Rationale: The proposed financing will reduce monthly payments that (together with other funds available to the Borrower) will assist in helping Pacific Oaks Education Corporation keep its fixed charges (including exchanging costly rent expense at its Pasadena campus' in favor of more cost effective debt service payments) as low as possible.

As a result, reduced expenses will allow Pacific Oaks Education Corporation to direct additional resources to the students it serves rather than overhead costs.

BUSINESS SUMMARY

Background: **Pacific Oaks Education Corporation** ("**Pacific Oaks**" or the "**Borrower**") is a California nonprofit public benefit corporation, formerly known as Pacific Oaks, and is comprised of Pacific Oaks College (founded in 1959) and Pacific Oaks Children's School (founded in 1945).

The Borrower is currently governed by a 13-member Board of Trustees (see Economic Disclosure Statement section on pp. 5-6 for further information) and as of June 1, 2010 the Borrower's sole and exclusive member was TCS Education System, a 501(c)(3) Type II supporting organization incorporated in 2009 under the laws of the state of Illinois (the "System"). The System is currently governed by a 15-member Board of Trustees (see Economic Disclosure Statement section on pp. 5-6 for further information). Certain members of the System's Board of Trustees or staff serve on Pacific Oaks' Board of Trustees.

Description: Pacific Oaks Education Corporation is dedicated to preparing innovative, engaged, purposeful agents of change who serve the global community as the operating entity of Pacific Oaks College and Pacific Oaks Children's School. Pacific Oaks College prepares students to be culturally intelligent agents of change serving diverse communities in the fields of human development, education, and related family studies whereas the primary focus of the Children's School is to be responsive to the needs, interests, and emerging abilities of its students. The mission of Pacific Oaks Education Corporation is inclusive of the mission of the College and primary focus of the Children's School.

The Children's School traces its roots back to 1906 when the then director of Polytechnic School Kindergarten built La Loma House as a resident home for young orphaned children. Soon after, California House was added, and a kindergarten program and primary school was established to meet the needs of the orphans. Today, both houses serve as classrooms at Pacific Oaks in Pasadena, CA. Seven Quaker families purchased the school in 1945 with the plan of developing an educational approach built on the values of equality, simplicity, non-violence, and community. The new Pacific Oaks Friends School was born and those founding values remain rooted in the culture of Pacific Oaks Children's School to this day.

It has been more than a century since the La Loma House was built. As Pacific Oaks has evolved, it has never lost its forward-thinking spirit of innovation, exemplifying the belief that a good education is never really finished. As learning is a life-long journey, Pacific Oaks inspires young children to begin it with joy and confidence. The Children's School offers both part-time and full-time early childhood education programs for infants (infant programs required parent participation), toddlers, and young children through age six. The Children's School enrollment is 200 children.

This progressive approach to teaching at Pacific Oaks Children's School - as well as a need to prepare and inspire future early childhood educators - inspired the formation of Pacific Oaks College in 1959. Today, the college remains dedicated to the same fundamental principles on which it was founded more than five decades ago - inclusion, social justice, and the value of every human being. Pacific Oaks College has a reputation for providing students with a transformative educational experience that invites them to embark on a journey of self-exploration, realizing their distinctive strengths and gifts. A respected leader in the field of early childhood education with expanded program offerings to reach students interested in human development, counseling, or teacher credentialing, Pacific Oaks College has physical campuses both in Pasadena and San Jose, CA. and likewise serves other areas via instructional sites and through online coursework. Pacific Oaks College served more than 1,700 students during the year ended May 31, 2016. Cumulatively, Pacific Oaks College serves 93% women. The college's student demographic consists of a student population that is 43.9% Hispanic, 13.0% African American, and 28.6% Caucasian. Pacific Oaks College is accredited by the WASC Senior Colleges and Universities Commission ("WSCUC").

Pacific Oaks College offers a range of bachelor's, master's and certificate programs in both flexible on-line and on-ground in-classroom formats to meet the needs of non-traditional and adult students.

TCS Education System (sole Member of Pacific Oaks Education Corporation): Pacific Oaks College and Children's School are one of five colleges in the Illinois-based **TCS Education System** (the "**System**"). As the sole member of Pacific Oaks Education Corporation, the System provides operational and management services to Pacific Oaks under a Services Agreement in which Pacific Oaks pays an allocation for the portion of services supplied by the System. Those fees support the employment of 130 workers at the System's corporate offices located in Chicago, Illinois.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Note proceeds will be issued in one or more series and loaned to **Pacific Oaks Education Corporation**, a California nonprofit public benefit corporation (the "**Corporation**"), whose sole member is **TCS Education System**, an Illinois not for profit corporation (the "**Sole Member**") in order to finance (or reimburse), together with other funds, (i) costs of the acquisition by the Corporation of land and four buildings located at 45 Eureka Street (approximately 15,505 square feet), 55 Eureka Street (approximately 28,787 square feet), 433 North Fair Oaks Avenue (approximately 25,827 square feet) and 100 West Villa Street (approximately 5,823 square feet), all in Pasadena, California, (ii) costs of renovations to such building, including, but not limited to, the redesign of the library, classroom improvements, accessibility improvements such as ADA enhancements, creation of common spaces for students and external community events and additional and more functional workspaces for faculty, staff and students in the buildings located at 45 Eureka Street and 55 Eureka Street (the "**Project**"), and (iii) costs of issuance and other costs related to the Notes and the Project, which may include, without limitation, capitalized interest, reserves and/or working capital (collectively, the "**Financing Purposes**").

Estimated Project Costs financed or refinanced with the Series 2017A and Series 2017B Note include the following:

Land Acquisition	$8,600,000
Building Acquisition	10,400,000
Total	**$19,000,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: **Pacific Oaks Education Corporation**, 55 Eureka Street, Pasadena, CA 91103-3592 (Mr. Mehul Patel, Corporate Treasurer, Ph.: 312-467-2389; email: mehulpatel@tcseducationsystem.edu)

Illinois Affiliate: **TCS Education System,** 350 N. Orleans Street, Suite 1050, Chicago, IL, 60654 (Ms. Jennifer DeMay, General Counsel, Ph.: 312-488-6004; email: jdemay@tcsedsystem.edu)

Applicant Website: https://www.pacificoaks.edu/

Project Name: Pacific Oaks Education Corporation/TCS Education System Project, Series 2017A and Series 2017B Notes

Bond Financed Locations:
45 Eureka Street, Pasadena, CA;
55 Eureka Street, Pasadena, CA;
433 N. Fair Oaks Avenue, Pasadena, CA; and
100 W. Villa Street, Pasadena, CA

Seller Disclosure: The four aforementioned properties are currently owned by the following:

MFT PROPERTIES, LLC
c/o J.L. Moseley Company, Inc.
236 West Mountain Street, Suite 101
Pasadena, CA 91103
Attention: Jaylene Moseley, President

NW INNNOVATION CENTER, LLC
c/o J.L. Moseley Company, Inc.
236 West Mountain Street, Suite 101
Pasadena, CA 91103
Attention: Jaylene Moseley, President

MMA PROPERTIES, LLC
c/o J.L. Moseley Company, Inc.
236 West Mountain Street, Suite 101
Pasadena, CA 91103
Attention: Jaylene Moseley, President

Tenant Disclosure: Upon closing and funding of the Series 2017A and Series 2017B Notes, Pacific Oaks Education Corporation will become the real estate owner of the four aforementioned properties. Lessees at the subject properties, initially, will include the following:

433 N. Fair Oaks Avenue, Pasadena, CA
- State of California – Unemployment Insurance Appeals Board

100 W. Villa Street, Pasadena, CA
- Vance Wealth Group, Inc.
- Braun Fitness

Pacific Oaks Board of Trustees:

PROFESSIONAL & FINANCIAL

Auditor:	RSM US LLP	Chicago, IL	
Borrower's Financial Advisor:	Stern Brothers & Co.	Chicago, IL	Wayne Pierce
Borrower's Counsel:	Miller, Canfield, Paddock & Stone, P.L.C.	Chicago, IL	Paul Durbin
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Bank/Bond Purchaser:	The PrivateBank	Chicago, IL	James Marsh
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson Kevin O'Neill
Real Estate Counsel:	Shoreline, a Law Corporation	Santa Monica, CA	Owen S. Solomon
Issuer Counsel:	Kutak Rock LLP	Chicago, IL	Kevin Barney
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago, IL	Courtney Tobin

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	3
State House:	6

CONDUIT

ILLINOIS FINANCE AUTHORITY

April 13, 2017	**$36,000,000** **Westminster Village, Inc.**

REQUEST	**Purpose**: Bond proceeds will be used by Westminster Village, Inc. ("**Westminster**" or "**WV**" or the "**Borrower**") to: (i) fund costs of the Project (described below), (ii) fund interest on the 2017 Bonds for a period of approximately 18 months, and (iii) pay costs of issuance. The Project includes the construction-unit, two story addition to the Martin Healthcare Center and the construction and equipping of an approximately 13,295 square foot addition to its community center. A portion (30 beds) of the existing Martin Healthcare Center will be and equipping of an approximately 38,370 square foot, 48 demolished, resulting in a net increase of 18 skilled nursing beds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Board 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	162.5 Current jobs (FTEs) 21.4 New jobs projected (FTEs) N/A Retained jobs 74 Construction jobs projected
DESCRIPTION	● Location: Bloomington (McLean County/North Central Region) ● In 1977, the 40-acre plot was purchased and construction began, opening in 1979. In 1981, WV became independent from PHP and w● Westminster Village is an independent Illinois not-for-profit corporation opened in 1979. WV's history began in the early 1970s when Reverend Phillip Queen of Second Presbyterian Church and Dr. Harold Martin formed a committee to develop a senior living community. At the same time, a not-for-profit chain of communities, Presbyterian Housing Program ("**PHP**") began investigating possibilities in Central Illinois. as established as a not-for-profit. Today, Westminster Village's 40-acre campus is comprised of: (i) 198 independent living units ("**ILUs**") including 22 duplexes, (ii) 52 assisted living units ("**ALUs**"), and (iii) 78 skilled nursing beds ("**SNBs**").
SECURITY/MATURITY	● The Bonds are expected to be secured by an obligation of WV under a Master Trust Indenture. Such obligation will include a pledge of revenues and mortgage. ● The Bonds will fully mature not later than 2052 (35 years).
CREDIT INDICATORS	● The Bonds will not be rated as they will be purchased directly by First Midwest Bank & Commerce Bank.
STRUCTURE	● Westminster Village contemplates the issuance of approximately $32.4 million of tax-exempt bank direct placement bonds by First Midwest Bank & Commerce Bank.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		**Uses**:	
IFA Bonds	$30,728,000	Project Fund	$32,427,000
Equity Contribution	2,784,000	Funded Interest (18 Months)	$489,200
		Cost of Issuance	$595,800
Total	**$33,512,000**	**Total**	**$33,512,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2017

Project: Westminster Village, Inc.

STATISTICS

Project Number:	12388	Par Amount:	$36,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
City:	Bloomington	County/Region:	McLean/North Central

BOARD ACTION

Final Board Resolution *(One-time Consideration)* No IFA Funds at Risk
Conduit 501(c)(3) Bonds No Extraordinary Conditions
Credit Review Committee recommends approval

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by Westminster Village, Inc. ("**Westminster**" or "**WV**" or the "**Borrower**") to: (i) fund costs of the Project (described below), (ii) fund interest on the 2017 Bonds for a period of approximately 18 months,

The Project includes the construction and equipping of an approximately 38,370 square foot, 48-unit, two story addition to the Martin Healthcare Center and the construction and equipping of an approximately 13,295 square foot addition to its community center. A portion (30 beds) of the existing Martin Healthcare Center will be demolished, resulting in a net increase of 18 skilled nursing beds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 162.5 FTEs	Projected new jobs: 21.4 FTEs
Retained jobs: N/A	Construction jobs: 74

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses**:	
IFA Bonds	$30,728,000	Project Fund	$32,427,000
Equity Contribution	$2,784,000	Funded Interest (18 Months)	$489,200
		Cost of Issuance	$595,800
Total	**$33,512,000**	**Total**	**$33,512,000**

FINANCING SUMMARY

Security:	The Bonds are expected to be secured by an obligation of Westminster under a Master Trust Indenture. Such obligation will include a pledge of revenues and mortgage.
Structure:	Westminster Village contemplates the issuance of approximately $32.4 million of tax-exempt bank direct placement bonds by First Midwest Bank & Commerce Bank.
Interest Rate:	Variable rate synthetically fixed with an interest rate swap
Underlying Ratings:	The Bonds will not be rated.
Maturity:	The Bonds will fully mature not later than 2052 (35 years)
Estimated Closing Date:	On/around the end of April 2017

PROJECT SUMMARY

Bond proceeds will be used by Westminster Village, Inc. ("**Westminster**" or "**WV**" or the "**Borrower**") to: (i) fund costs of the Project (described below), (ii) fund interest on the 2017 Bonds for a period of approximately 18 months, and (iii) pay costs of issuance.

The Project includes the construction and equipping of an approximately 38,370 square foot, 48-unit, two story addition to the Martin Healthcare Center and the construction and equipping of an approximately 13,295 square foot addition to its community center. A portion (30 beds) of the existing Martin Healthcare Center will be demolished, resulting in a net increase of 18 skilled nursing beds.

BUSINESS SUMMARY

Westminster Village is an independent Illinois not-for-profit corporation opened in 1979. WV's history began in the early 1970s when Reverend Phillip Queen of Second Presbyterian Church and Dr. Harold Martin formed a committee to develop a senior living community. At the same time, a not-for-profit chain of communities, Presbyterian Housing Program (PHP) began investigating possibilities in Central Illinois.

In 1977, the 40-acre plot was purchased and construction began, opening in 1979. In 1981, WV became independent from PHP and was established as a not-for-profit. Today, Westminster Village's 40-acre campus is comprised of: (i) 198 independent living units ("ILUs") including 22 duplexes, (ii) 52 assisted living units ("ALUs"), and (iii) 78 skilled nursing beds ("SNBs").

ECONOMIC DISCLOSURE STATEMENT

Applicant: Westminster Village, Inc.

Site Address: 2025 East Lincoln Street
Bloomington, IL 61701
(309) 663-6474

Contact: Barb Nathan, Chief Executive Officer

Website: www.westminstervillageinc.com

Project name: Westminster Village, Inc.

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

State: Illinois

Board of Trustees:

Name	Board Position	Occupation/Profession	Year Term Expires
Jay Reece	President	Attorney; Mueller, Reece & Hinch LLC	2019 (joined 2011)
Roger Hunt	Vice President	Retired; President, Advocate BroMenn	2019 (joined 2012)
John Gordon	Treasurer	Retired; Senior Investment Officer, State Farm Insurance	2018 (joined 2012)
Jim Broach	Secretary	Retired; Director of Administrative Services, State Farm Insurance	2018 (joined 2010)
Lora Wey	Past President	Executive Director, Annual Giving, Illinois State University	2017 (joined 2005)
Susan Hurliman	Member	Retired; District 87 Elementary Teacher	2018 (joined 2009)
Carl Teichman	Member	Director of Government & Community Relations, President's Office, Illinois Wesleyan University	2017 (joined 2015)
Steve Lehmann	Member	President, Abacus Actuarial Consulting, LLC	2019 (joined 2012)
Dave Rutledge	Member*	Sr. Vice President, Commercial Relationship Manager, First Midwest Bank	2017 (joined 2014)
Janella Cooley	Member	Community Leader/Volunteer	2019 (joined 1999)
Steve Meilinger	Member	AGM/Food and Beverage Director, Bloomington-Normal Marriott	2018 (joined 2015)
Emily Bell	Member	Retired; Human Resources Manager, City of Bloomington	2018 (joined 2015)

* Board Member Dave Rutledge abstained from all votes on this financing because he is with the Lead Bank Purchaser, First Midwest Bank.

PROFESSIONAL & FINANCIAL

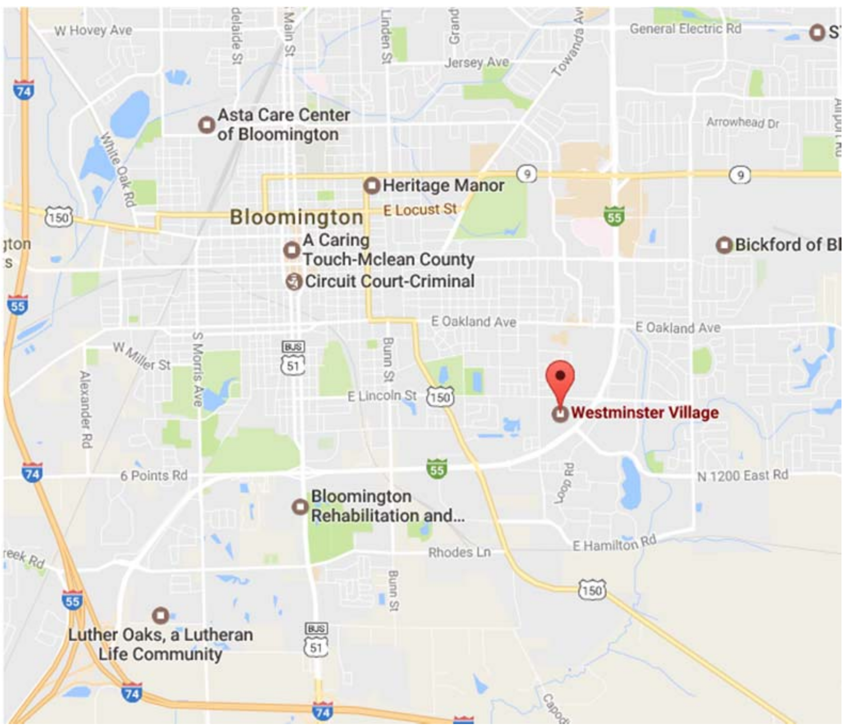
Borrower's Counsel:	Miller, Hall & Triggs LLC	Peoria, IL	Rick Joseph
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	John Bibby
Placement Agent:	Zeigler	Chicago, IL	William Carney
Lead Bank Purchaser:	First Midwest Bank	Chicago, IL	Kimberly McMahon
Lead Bank Counsel:	Dentons	Chicago, IL	Kathryn Ashton
Participant Bank Purchaser:	Commerce Bank	Kansas City, MO	Jennifer Elder
Participant Bank Counsel:	Stinson Leonard Street LLP	Kansas City, MO	Don Kirkpatrick
IFA Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Chad Doobay
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago , IL	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	18
State Senate:	44
State House:	88

SERVICE AREA

A map detailing the locations of the corporate office of Westminster Village is presented below.



CONDUIT

April 13, 2017

$20,160,000
The Lodge of Northbrook, Inc.

REQUEST	**Purpose**: Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the "**Borrower**", the "**Corporation**" or "**The Lodge**") for refinancing existing construction indebtedness and for financing capital improvements including: (i) the acquisition of an additional leasehold interest in approximately 5.303 acres of land, (ii) the construction of 60 independent living units and 8 two-bed assisted living units in a 157,983 square foot three story building, including the construction of a 26,266 square foot underground parking facility, Phase IV of a housing complex for the elderly at 2244 Founders Drive in Northbrook, Cook County, Illinois, and (iii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex (collectively, the "**Project**"), and pay certain expenses in connection with the issuance of the Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution *(One-time consideration).*
JOB DATA	13 Current jobs — 18 New jobs projected N/A Retained jobs — 75 Construction jobs projected
DESCRIPTION	• Location: Northbrook, Illinois (Cook County/Northeast Region) • The Lodge of Northbrook has completed Phase I, II and III containing 96 units and common areas and services located at 2220 Founders Drive in Northbrook. Phase IV, containing 60 independent living units, 8 two-bed assisted living units and common areas will commence construction in February 2017. The Lodge is designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership. Essex Corporation, as developer of the community, brings substantial expertise to The Lodge of Northbrook, having designed, built, and managed three similar projects in the Chicago area as well as 30+ senior residences throughout the Midwest.
SECURITY	• The 2017 bondholder will have a leasehold mortgage and an assignment of rents and leases. The leasehold has approximately 95 years left before the lease expires on February 29, 2112. • Guaranty by individual shareholders of Essex Corporation (Developer) as to prompt payment of the indebtedness and punctual performance of all obligations of the Borrower undertaken pursuant to the Indebtedness or as otherwise required by the Loan Documents. Guaranty is in place during marketing of Phase IV. Guaranty will be released upon the Net Revenues of the Borrower equaling or exceeding 115% of the Average Annual Debt Service Requirements of the Borrower for one full calendar year (which will indicate sufficient occupancy levels).
MATURITY	• Not later than 30 years after 2017 issuance date.
STRUCTURE	• The place of finance contemplates a bank direct purchase by Great Western Bank.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses:**	
IFA Bonds	$20,160,000	Land Costs	$565,000
Entrance Fees	18,668,286	New Construction	$28,651,268
		Absorption / Debt Service Reserve	$1,541,715
		Furniture / Equipment	$893,326
		Architectural, Engineering & Design	$952,004
		Legal & Financing	$738,561
		Professional / Marketing	$4,808,178
		Capitalized Interest	$678,234
Total	**$38,828,286**	**Total**	**$38,828,286**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2017

Project: The Lodge of Northbrook, Inc.

STATISTICS

Project Number:	12375	Amount:	$20,160,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Location:	Northbrook, Illinois	County/Region:	Cook County/ Northeast

BOARD ACTION

Final Bond Resolution *(One-time consideration)*
Conduit 501(c)(3) Bonds
Credit Review Committee recommends approval

No extraordinary conditions
No IFA funds at risk

PURPOSE

Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the "**Borrower**", the "**Corporation**" or "**The Lodge**") for refinancing existing construction indebtedness and for financing capital improvements including: (i) the acquisition of an additional leasehold interest in approximately 5.303 acres of land, (ii) the construction of 60 independent living units and 8 two-bed assisted living units in a 157,983 square foot three story building, including the construction of a 26,266 square foot underground parking facility, Phase IV of a housing complex for the elderly at 2244 Founders Drive in Northbrook, Cook County, Illinois, and (iii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex (collectively, the "**Project**"), and pay certain expenses in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance and refinance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, 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	$20,160,000	Land Costs	$565,000
Entrance Fees	18,668,286	New Construction	28,651,268
		Absorption / Debt Service Reserve	1,541,715
		Furniture / Equipment	893,326
		Architectural, Engineering & Design	952,004
		Legal & Financing	738,561
		Professional / Marketing	4,808,178
		Capitalized Interest	678,234
Total	**$38,828,286**	**Total**	**$38,828,286**

JOBS

Current employment:	13	Projected new jobs:	18
Jobs retained:	N/A	Construction jobs:	75

FINANCING SUMMARY/STRUCTURE

Security: The bondholder will have a leasehold mortgage and an assignment of rents and leases. The leasehold has approximately 95 years left before the lease expires on February 29, 2112.

Guaranty by individual shareholders of Essex Corporation (Developer) as to prompt payment of the indebtedness and punctual performance of all obligations of the Borrower undertaken pursuant to the Indebtedness or as otherwise required by the Loan Documents. Guaranty is in place during marketing of Phase IV. Guaranty will be released upon the Net Revenues of the Borrower equaling or exceeding 115% of the Average Annual Debt Service Requirements of the Borrower for one full calendar year (which will indicate sufficient occupancy levels).

Structure: The plan of finance contemplates a Direct Purchase Bond by Great Western Bank. The Bonds will be issued to take-out a bank construction loan on Phase III of this project and provide financing of the fourth phase of construction.

Interest Rate: 3.95%

Interest Modes: Variable rate adjusted every 5 years

Current Rating: The Bonds will not be rated.

Maturity: Not later than 30 years after 2017 issuance date.

Estimated Closing Date: April 2017

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the "**Borrower**", the "**Corporation**" or "**The Lodge**") for refinancing existing construction indebtedness and for financing capital improvements including: (i) the acquisition of an additional leasehold interest in approximately 5.303 acres of land, (ii) the construction of 60 independent living units and 8 two-bed assisted living units in a 157,983 square foot three story building, including the construction of a 26,266 square foot underground parking facility, Phase IV of a housing complex for the elderly at 2244 Founders Drive in Northbrook, Cook County, Illinois, and (iii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex (collectively, the "**Project**"), and pay certain expenses in connection with the issuance of the Bonds.

BUSINESS SUMMARY

Background: **The Lodge of Northbrook, Inc.** (the **"Borrower"**) is an Illinois not-for-profit 501(c)(3) organization that was incorporated on August 16, 2011 to provide residential facilities for the aged. The facilities are designed to meet the needs of the aged, including suitable housing, civic, cultural and recreational activities, and an overall environment conducive to dignity and independence. Phases I, II and III of The Lodge of Northbrook, Inc. are three story brick buildings designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership. Phases I, II and III consist of 96 independent living units and common areas. Construction of

Phase IV on a site adjacent to Phases I, II and III of the project will begin in February 2017 and will consist of 60 independent living units and 8 two-bed assisted living units and common areas.

According to US Census data, there are 20,685 households with people over 65 years of age and annual incomes over $35,000 living within a 5-mile radius of the project site.

The units are now priced with entrance fees ranging from $88,886 to $667,058 and monthly fees ranging from $992 to $4,547. Residents may participate in an optional meal plan for an additional charge. Residents paying a supplemental fee in addition to the entrance fee will receive a discount in the standard monthly fee. The entrance and supplemental fees are returned to residents (or their estate) upon leaving the community from payments made by new incoming residents.

The site is zoned appropriately ("RS").

The Developer: **Essex Corporation ("Essex" or the "Developer")**, a Nebraska corporation, is the project developer and administrator pursuant to a development and management agreement with The Lodge of Northbrook, Inc.

Essex Corporation has been active in designing, developing, constructing, marketing, financing and managing senior housing since its inception in 1976. The company offers its services to not-for-profit (or for-profit) owners on a bundled or unbundled basis and on a turn-key or joint venture format.

Essex has developed over 3,000 senior housing units in 11 states in the West and Midwest, in projects ranging in size from $500,000 to $25,000,000. Essex Corporation currently manages The Lodge of Northbrook and other similar facilities.

Essex Corporation was the developer for The Reserve of Geneva, a senior living facility financed with IFA Bonds in 2005 and 2014. All payments on The Reserve of Geneva project (owned by another entity, but pre-developed with the assistance of Essex) have been made as scheduled as of 3/1/2017.

The Investor: **Great Western Bank** (the "**Bank**" or the "**Investor**") has experience in the acquisition, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of senior housing properties.

Great Western Bancorp, Inc. (NYSE: GWB) is the bank holding company for Great Western Bank, a regional bank with over 170 branches in markets across nine states. The Bank was founded more than 80 years ago as a hometown, community bank. Great Western Bank retains their position as a hometown bank in the communities they serve. The Bank has $11.42 billion in assets, and equity of nearly $1.7 billion. Credit Ratings: Kroll Senior Unsecured BBB+ (Holding Company), A- (Bank).

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Lodge of Northbrook, Inc.

Site Address: 2220 Founders Drive
Northbrook, IL 60062
(847) 772-9100

Contact: Julie Bennett, Vice President, Essex Corporation, Developer

Website: http://www.lodgeofnorthbrook.com

Project name:	The Lodge of Northbrook, Inc. (Series 2017)	
Organization:	501(c)(3) Not-for-Profit Corporation	
State:	Illinois	
Board Members:	Charles Bell	Jenanne Rock
	Patrick Brown	Art Brantman
	Mary Staackmann	Robert Lozaro

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Aronberg Goldgehn	Omaha	Robert Sodikoff
Bond Counsel:	Baird Holm	Omaha	Chuck Addy
Bond Purchaser:	Great Western Bank	Omaha	Gordon Harnisch
Accountant:	Lutz & Company	Omaha	Shawn Wederquist
Architect:	Avant Architects	Omaha	Larry Smith
General Contractor:	McShane Construction	Rosemont	Matt Dougherty
IFA Counsel:	Charity & Associates	Chicago	Tim Hinchman
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago	Courtney Tobin

LEGISLATIVE DISTRICTS

Congressional:	9
State Senate:	9
State House:	17

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SERVICE AREA

The Lodge of Northbrook, Inc.'s primary service area includes the city of Northbrook, IL and its surrounding community.

CONDUIT

April 13, 2017

$225,000,000
Ann & Robert H. Lurie Children's Hospital of Chicago

REQUEST	**Purpose**: Bond proceeds will be used by Ann & Robert H. Lurie Children's Hospital of Chicago ("**Lurie Children's**", "**Lurie**", the "**Hospital**", or the "**Borrower**") to: (i) advance refund all or a portion of the IFA Series 2008A and 2008B Bonds, and (ii) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution *(One-time consideration).*
MATERIAL CHANGES	None.
JOB DATA	4,758 (All of Lurie, 3/28/2017) Current jobs; N/A New jobs projected N/A Retained jobs; N/A Construction jobs projected
DESCRIPTION	● Location: Cook County/Northeast ● Ann & Robert H. Lurie Children's Hospital of Chicago (formerly, The Children's Memorial Hospital) ("the Hospital") is an Illinois not-for-profit corporation that presently owns and operates the only full-service, independent, freestanding pediatric hospital in Illinois, with 288 licensed beds, as well as a full range of inpatient and outpatient care and related ancillary services. ● Lurie Children's is a nationally recognized children's hospital and is the leading provider of complex quaternary pediatric services in the Chicagoland area. In addition, for more than 60 years, Lurie Children's has served as the pediatric training site for Northwestern University's Feinberg School of Medicine, training residents, medical students and fellows who will comprise the next generation of health care providers. The Hospital has a full range of inpatient and outpatient care and related ancillary services.
SECURITY/MATURITY	● The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("**MTI**") and an assignment of and security interest in the Gross Revenue of the Borrower. ● 2008A – August 15, 2047; 2008B – August 15, 2039
CREDIT INDICATORS	● +
STRUCTURE	● The Bonds will be sold in a public offering by JP Morgan Securities LLC, Goldman Sachs & Co. and Loop Capital Markets LLC.
SOURCES AND USES	**Sources:** IFA Bonds $225,000,000 **Total** **$225,000,000** **Uses:** Refunding Escrow Deposits $221,625,000 Costs of Issuance 3,375,000 **Total** **$225,000,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 13, 2017

Project: Ann & Robert H. Lurie Children's Hospital of Chicago

STATISTICS

Project Number: 12389
Type: 501(c)(3) Bonds
Location: Chicago, IL

Amount: $225,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane
County/Region: Cook/Northeast

BOARD ACTION

Final Bond Resolution *(One-time consideration)*
Conduit 501(c)(3) Bonds
Credit Review Committee recommends approval

No IFA Funds at Risk
No Extraordinary Conditions

PURPOSE

Bond proceeds will be used by Ann & Robert H. Lurie Children's Hospital of Chicago ("**Lurie Children's**", "**Lurie**", the "**Hospital**", or the "**Borrower**") to: (i) advance refund all or a portion of the IFA Series 2008A and 2008B Bonds, and (ii) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	4,758 (All of Lurie, 3/28/17)	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$225,000,000	Refunding Escrow Deposits	$221,625,000
		Costs of Issuance	3,375,000
Total	**$225,000,000**	**Total**	**$225,000,000**

FINANCING SUMMARY

Security:	The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("MTI") and an assignment of and security interest in the Gross Revenue of the Borrower.
Structure:	The Bonds will be sold in a public offering by JP Morgan Securities LLC, Goldman Sachs & Co. and Loop Capital Markets LLC.
Interest Rate:	To be determined at pricing.
Interest Mode:	The plan of finance contemplates fixed rate bonds.
Credit Enhancement:	None
Maturity:	2008A – August 15, 2047; 2008B – August 15, 2039
Rating:	The bonds will carry ratings. Ann & Robert H. Lurie Children's Hospital has underlying ratings of: 'A+' (positive) / 'AA-' (stable)" from S&P and Fitch, respectively, which is expected to be affirmed as part of this financing.
Estimated Closing Date:	June 22, 2017

PROJECT SUMMARY

Bond proceeds will be used by Ann & Robert H. Lurie Children's Hospital of Chicago ("**Lurie Children's**", "**Lurie**", the "**Hospital**", or the "**Borrower**") to: (i) advance refund all or a portion of the IFA Series 2008A and 2008B Bonds, and (ii) pay costs of issuance.

BUSINESS SUMMARY

Children's Hospital of Chicago Medical Center (the "**Medical Center**"), an Illinois not-for-profit Corporation is the sole member of **Ann & Robert H. Lurie Children's Hospital of Chicago ("the Hospital"),** an Illinois not-for-profit corporation. The Hospital was founded in 1882 by Julia Foster Porter to provide medical care for all children. Today, the Medical Center and its affiliates comprise an independent, freestanding academic institution dedicated to the health and well-being of all children. The Medical Center is also the sole member of Ann & Robert H. Lurie Children's Hospital of Chicago Foundation ("**the Foundation**"), Stanley Manne Children's Research Institute ("**the Research Center**), Pediatric Faculty Foundation, Inc. ("**PFF**") and Almost Home Kids ("**AHK**"), all Illinois not-for-profit corporations.

The Hospital owns and operates a pediatric hospital with 288 licensed beds in Chicago, Illinois. The Hospital provides a complete range of pediatric health care services, including pediatric inpatient medical and surgical care, tertiary and quaternary care services, and emergency services. The Hospital operates more than 50 specialty and primary care outpatient clinic at its main campus in the Streeterville neighborhood and throughout the Chicago area, as well as two ambulatory care facilities and thirteen outpatient specialty centers in the surrounding metro Chicago areas.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Ann & Robert H. Lurie Children's Hospital of Chicago

Site Address: 225 East Chicago Ave. Chicago, IL 60611

Contact: Ron Blaustein, Chief Financial Officer

Website: www.luriechildrens.org

Project Name: Anne & Robert H. Lurie Children's Hospital of Chicago

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

State: Illinois

Board of Directors:

CHILDREN'S HOSPITAL OF CHICAGO MEDICAL CENTER /
ANN & ROBERT H. LURIE CHILDREN'S HOSPITAL OF CHICAGO
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Mary J.C. Hendrix, PhD
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Gordon I. Segal
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H. Blair White
Peter S. Willmott
David P. Yeag

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	SNR Denton US LLP	Chicago	Mary Wilson
Accountant:	PricewaterhouseCoopers	Chicago	Shea Fowler
Financial Advisor:	Kaufman Hall	Chicago	Therese Wareham
Bond Counsel:	Chapman and Cutler LLP	Chicago	Mike Mitchell
Underwriters:	JP Morgan Securities LLC	Chicago	Meghan O'Keefe
	Goldman Sachs & Co.	New York	Sue Benz
	Loop Capital Markets LLC	Chicago	Prakesh Ramani
Underwriters Counsel:	Nixon Peabody LLP	Chicago	Julie Seymour
IFA Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago	Steve Welcome
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	13
State House:	26

SERVICE AREA

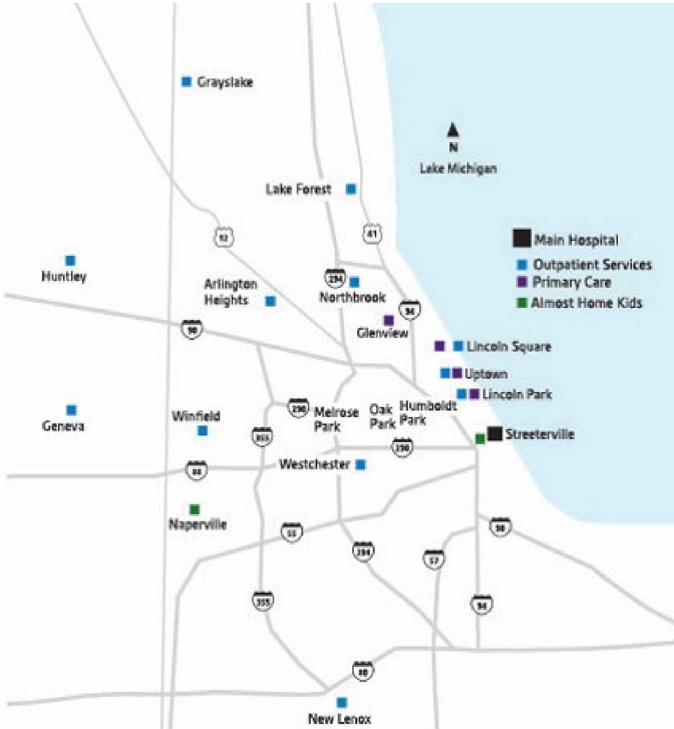
Lurie Children's remains the only stand-alone acute care pediatric facility in the state. Its market share has increased to 29% from 27%; Advocate Children's Hospital, the next-largest provider of pediatric services, has an 18% share. CHCMC's large active physician base of over 1,200, including approximately 500 employed pediatric care and pediatric subspecialty physicians, helps support the hospital with its breadth and depth of specialties and CHCMC's larger research and educational mission.

The hospital's market position is enhanced by its affiliations with Northwestern Memorial Hospital ("NMH") and the Feinberg School of Medicine ("FSM"). The affiliation strengthens Lurie Children's physician recruiting and alignment initiatives. As FSM's primary teaching hospital, virtually all of Lurie Children's hospital-based physicians hold faculty appointments at the medical school. In addition to its affiliation with Northwestern, Lurie Children's has extended its geographic reach through strategic partnerships with 14 hospitals and Lurie Children's 11 outpatient centers located throughout the Chicago metropolitan area.

Main hospital in Chicago (Streeterville)

Partner hospitals

- Arlington Heights: Northwest Community Hospital
- Aurora: Presence Mercy Medical Center
- Chicago (Jackson Park): La Rabida Children's Hospital
- Chicago (Humboldt Park): Norwegian American
- Chicago (Lincoln Square) Swedish Covenant Hospital
- Chicago (Streeterville): Prentice Women's Hospital
- Chicago (Bronzeville): Mercy Hospital & Medical Center
- Geneva: Northwestern Medicine Delnor Hospital
- Hinsdale: Adventist Hinsdale Hospital
- Huntley: Centegra Hospital NEW
- New Lenox: Silver Cross Hospital
- Lake Forest: Northwestern Lake Forest Hospital
- Melrose Park: Westlake Hospital
- Oak Park: West Suburban Medical Center
- Winfield: Lurie Children's at Northwestern Medicine of Central DuPage Hospital



Outpatient Services

- **Arlington Heights**: Northwest Community Hospital
- **Geneva**: Delnor Community Hospital
- **Grayslake:** 1475 E. Belvidere Road
- **Huntley**: Centegra Hospital - **NEW**
- **Lake Forest**: Northwestern Lake Forest Hospital
- **Lincoln Park:** 2515 N. Clark/467 W. Deming Place
- **Lincoln Square**: Swedish Covenant Hospital
- **New Lenox**: Silver Cross Hospital
- **Northbrook:** 1131 Techny Road
- **Westchester** (two locations):
  2301 Enterprise Drive
  11301 West Cermak Road
- **Winfield**: Lurie Children's at Central DuPage Hospital
- **Uptown:** Lawrence and Broadway Avenues

Lurie Children's Primary Care - Town & Country Pediatrics

- **Halsted:** 1460 N. Halsted Street
- **Lincoln Avenue:** 6374 N Lincoln Avenue
- **Glenview:** 2601 Compass Road, Glenview

Almost Home Kids

- Almost Home Kids - **Naperville**
- Almost Home Kids – **Chicago**

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: April 13, 2017

Re: Resolution to Authorize Establishment of the Illinois Finance Authority Green Community Program to Use Available Qualified Energy Conservation Bond Issuance Authority to Finance Energy Retrofit Projects and Energy Conservation and Generation Projects at Facilities Owned by 501(c)(3) Corporations or by For-Profit Companies

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Background – What is a Qualified Energy Conservation Bond ("QECB")?

Qualified Energy Conservation Bonds ("**QECBs**") are taxable tax credit bonds authorized under Section 54 of the Internal Revenue Code of 1986, as amended (the "**Code**"). QECBs are designed to provide an interest rate subsidy for energy savings and energy conservation-related capital improvement projects undertaken generally by (i) units of state or local government (for financing such improvements at governmentally-owned buildings) or (ii) pursuant to a "Green Community Program", which may provide loans (or other repayment mechanisms) or grants that are broadly available to members of the general public, including individuals or businesses.

Provisions of the QECB laws were clarified and expanded in 2009 under the American Reinvestment and Recovery Act of 2009 ("**ARRA**") and refined in subsequent IRS Notices and related guidance from the U.S. Department of the Treasury. *The accompanying Resolution attached to this memorandum provides specific citations to (i) all applicable Code provisions, (ii) IRS/Treasury Notices relating to Section 54D, and (iii) references to pertinent sections of the Illinois Finance Authority Act.*

How do QECBs work, and what is the benefit to a prospective QECB Borrower?

Code Section 54D, as amended, allows QECB borrowers to select one of two QECB subsidy methods.

Although Code Section 54D provides two QECB subsidy options, essentially all QECB Borrowers since 2009 have elected the "Direct QECB Subsidy Method", under which (i) the QECB borrower pays (and the bond investor receives) a taxable interest rate on the QECB and (ii) the QECB borrower receives an annual Interest Rebate from the U.S. Treasury to offset the Taxable Bond Rate. Presently, the U.S. Treasury allows maximum maturities of up to 31 years (subject to lender constraints on the maximum nominal maturity).

- **Quantifying QECB Savings from the QECB Direct Pay Subsidy/Rebate from the U.S. Treasury to a QECB Borrower**:

  Based on the Qualified Tax Credit Rate posted as of 4/3/2017 (updated daily on the "TreasuryDirect" website), the QECB Direct Subsidy would effectively reduce the Taxable Interest Rate paid by the Borrower by 3.14%.

  Thus, for a QECB Borrower that negotiates a 5.00% fixed rate from a lender/investor, the QECB Borrower would receive a 3.14% direct pay interest rebate from the U.S. Treasury that would reduce the effective interest rate on the QECB borrowing to only 1.86% (while the lender/investor receives the 5.00% taxable interest rate borne on the Bond). (Note: the Direct Pay QECB Subsidy has been subject to sequestration (i.e., reduction) in the federal budget. The applicable sequester reduction percentage that will be applied to the payments made to issuers (or conduit borrowers) of Direct Pay Subsidy Bonds in federal FY 2017 (including QECBs) will be 6.9 percent.)

Illinois QECB Activity to Date:

As detailed in the attached Resolution, Illinois received an allocation of $133,846,000 of QECB allocation for use statewide in 2009.

Consistent with IRS guidance on QECB allocations, the State of Illinois sub-allocated the $133.846 million allocation to the following issuers based on their relative population: (1) the 8 municipalities with populations over 100,000, (2) the 19 counties with populations over 100,000, while (3) the remaining $22,620,783 was ultimately allocated to the Illinois Finance Authority for use statewide.

The following table summarizes QECB issuance/allocation activity across the 27 local government QECB allocatees and IFA as of 3/1/2017:

Illinois - 2009 QECB Allocatees	Initial 2009 Allocation	Issued/Allocated to Date	Unused Balance
[1] The 8 Municipalities with >100,000 population:	$ 39,564,954	$ 31,443,201	$ 8,121,753
[2] The 19 Counties with >100,000 population:	$ 71,660,263	$ 38,351,799	$ 33,308,464
[3] Illinois Finance Authority - statewide issuer:	$ 22,620,783	$ 21,865,000	$ 755,783
Totals:	**$ 133,846,000**	**$ 91,660,000**	**$ 42,186,000**

Notes:

[1] The 8 municipalities are: Aurora, Chicago, Elgin, Joliet, Naperville, Peoria, Rockford, and Springfield

[2] The 19 counties are: Champaign, Cook, DeKalb, DuPage, Kane, Kankakee, Lake, LaSalle, Macon, Madison, McHenry McLean, Peoria, Rock Island, Sangamon, St. Clair, Tazewell, Will, and Winnebago.

[3] IFA has transferred its allocations for government-purpose projects to the following issuers: (i) the Village of Deerfield; (ii) Southern Illinois University (Carbondale), and (iii) The Metropolitan Water Reclamation District of Metropolitan Chicago

Assessment of Uses for Remaining IFA QECB Allocation - $755,783:

- **Activity to Date: IFA QECB Allocation Transfers to 3 Governmental Issuers for Government Purpose Projects:**

  At the April 14, 2016 IFA Board Meeting, the IFA Board approved a Resolution transferring $4.0 million of IFA's remaining QECB allocation to The Metropolitan Water Reclamation District of Metropolitan Chicago.

  For each of the three prior IFA QECB allocation transfers, the underlying projects (i) benefitted governmental users and (ii) financed capital expenditures associated with energy conservation and energy savings projects that each borrower could document produced the minimum required 20% energy savings specified under Code Section 54.

  During the April 2016 Tax-Exempt Committee Meeting, it was suggested that IFA offer the remaining approximately $755,000 to the local allocatees on a first-ready, first-served basis.

  Before pursuing a reallocation to a local government issuer, IFA staff decided to evaluate the possibility of using the remaining allocation to issue Bonds by creating a "Green Community Program" under Code Section 54D, as discussed further below.

- **Evaluating Viability of IFA Establishing a "Green Community Program" Pursuant to Code Section 54D:**

  Summary of Federal Guidance from the U.S. Congress Conference Committee Evaluating QECBs and subsequent IRS Notices:

  - As cited in the attached Resolution, provisions providing greater guidance relating to the creation of "Green Community Programs" under Code Section 54D were amended pursuant to ARRA in 2009 and clarified in subsequent Notices released by the U.S. Treasury Department and the Internal Revenue Service.

- More generally, in 2009, the U.S. Congress Conference Committee evaluating QECBs determined that the 2009 QECB Allocation should also enable States to implement Green Community Programs to issue QECBs for the purpose of financing retrofits of existing private buildings through loans and/or grants to individual homeowners or businesses, or through other repayment mechanisms.

- Code Section 54D provides that "qualified conservation purposes" include "capital expenditures" incurred to implement Green Community Programs.

- As further cited in the attached Resolution, pursuant to IRS Notice 2012-44, 2012-28 IRB 45 (June 25, 2012), <u>eligible Green Community Program purposes are "*broadly construed*" to include capital expenditures incurred for the promotion of energy savings through retrofitting initiatives for</u> heating, cooling, lighting, water-saving, storm-water reducing, or other efficiency measures that involve a loan (or other repayment mechanism) or grant program that is broadly available to members of the general public, including individuals or businesses.
  - Additional eligible purposes include: (i) distributed generation initiatives and (ii) transportation initiatives.

Given the flexibility offered through the "*broadly construed*" concept, an IFA Green Community Program would provide sufficient flexibility to finance Code 501(c)(3) organizations and private businesses that are seeking to undertake retrofit projects (or retrofit projects that also include on-site renewable energy production from wind, photovoltaic, geothermal, or other renewable resources). (Please refer to the ninth (9th) "Whereas" clause in the attached Resolution for specific IRS Notice guidance, including the "broadly construed" purposes concept.)

Virginia's Conduit QECB Green Community Program for Code 501(c)(3) and Business Borrowers:

The most prominent example of a similar Green Community Program concept in operation is the State of Virginia Department of Mines, Minerals, and Energy's "**Virginia*SAVES*"™** Green Community Program ("VA Saves"). The VA Saves program was created in 2015 and uses the state's QECB allocation to issue conduit Bonds through the Virginia Small Business Financing Authority and the Virginia Resources Authority to provide QECB Direct Pay Subsidy financing to Code 501(c)(3) organizations and businesses.

Of particular note, the Virginia Small Business Financing Authority has issued conduit QECBs for several Code 501(c)(3) organizations including (i) Eastern Mennonite University in Harrisonburg VA and (ii) Randolph Macon Academy, Front Royal, VA. While most of Virginia's conduit QECBs have been larger ($3.0 million to $7.0 million), the VA Saves program has also financed several projects of less than $1 million (see www.vasaves.gcp.com for additional information).

As noted previously, the savings offered through the QECB subsidy substantially exceed the savings (spreads) available on a comparably sized tax-exempt bond issue. Accordingly, a $1.0 million QECB issue would generate $31,400 in annual savings to the QECB Borrower – representing significant savings (even on a small principal amount).

Conclusions/Evaluation – IFA Development of a Green Community Program:

Because the Authority has the statutory power under 20 ILCS 3501/825-110 to aggregate waived (i.e., transferred) QECB allocations from the 27 local QECB allocatees in order to issue QECBs statewide, it is in the best interest of the State of Illinois for the Illinois Finance Authority to develop and offer a Green Community Program for the benefit of existing QECB allocatees, Code 501(c)(3) organizations, and businesses within the State of Illinois.

As contemplated, an IFA Green Community Program platform would also enable all 27 local QECB allocatees to use the IFA Green Community Program to finance 501(c)(3) or business projects of their choosing located anywhere statewide (whether located in their community or not).

Additionally, development of a Green Community Program could accelerate deployment and associated benefits of the remaining, unused $42.186 million of QECB allocation currently available in Illinois. Many practitioners in the public finance industry contend that the 20% minimum energy savings certification required to issue QECBs for state and local government projects has been a significant impediment to issuing QECBs generally.

Recommendation and Conditions:

IFA staff recommends approval of the accompanying Resolution to Authorize Establishment of a Green Community Program to fund local energy conservation projects and building retrofits in buildings owned by non-governmental entities including Code 501(c)(3) organizations and businesses **subject to** IFA's qualifying criteria (which will include but not be limited to building-related energy studies undertaken by a licensed professional engineer, among other requirements to be developed in consultation with tax counsel/bond counsel).

Supplemental Information - Illinois' National QECB Issuance Ranking:

Illinois QECB Issuance as a Percentage of its Initial 2009 QECB Allocation and Comparison vs. Peers:

Based on public domain information posted to the MSRB's EMMA website and other public websites available as of 3/1/2017, Illinois issuers have used approximately 68.48% of the $133,846,000 statewide QECB allocation. According to a January 17, 2017 report published by the Energy Programs Consortium, Illinois ranks #11 nationally in QECB issuance as a percentage of the initial statewide QECB allocation.

According to the Energy Programs Consortium's report, the following states have yet to issue any QECBs as of 1/17/2017: Alaska, Delaware, Florida, Hawaii, Idaho, Iowa, Mississippi, New Jersey, Oklahoma, Rhode Island, Vermont, West Virginia, and Wyoming.

Of the $3.2 billion in QECB allocations nationally, approximately $1.3 billion (41.17%) has been issued as of 1/17/2017.

IFA RESOLUTION NO. 2017-0413-____

RESOLUTION TO AUTHORIZE ESTABLISHMENT OF THE ILLINOIS FINANCE AUTHORITY GREEN COMMUNITY PROGRAM TO USE AVAILABLE QUALIFIED ENERGY CONSERVATION BOND ISSUANCE AUTHORITY TO FINANCE ENERGY RETROFIT PROJECTS AND ENERGY CONSERVATION AND GENERATION PROJECTS AT FACILITIES OWNED BY 501(C)(3) CORPORATIONS OR BY FOR-PROFIT COMPANIES

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

WHEREAS, the Authority is authorized to issue its bonds and notes or to make or acquire loans to provide funds for the purposes of financing the acquisition, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property comprising an "industrial project" as defined under the Act; and

WHEREAS, Qualified Energy Conservation Bonds ("*QECBs*") were originally authorized under Section 54D of the Internal Revenue Code of 1986, as amended (the "*Code*"), to finance capital projects and other projects for specified qualified conservation purposes; and

WHEREAS, Section 1112 of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) ("*ARRA*"), amended Code Section 54D in several respects, including amendments to the provision on green community programs ("*Green Community Programs*") which remain in place as of the date of this Resolution; and

WHEREAS, in Notice 2009-29, 2009-1 C.B. 849 (as of April 6, 2009), the U.S. Treasury Department and the Internal Revenue Service ("*IRS*") allocated the national bond volume cap for Qualified Energy Conservation Bonds to States, the District of Columbia, and possessions of the United States in proportion to population (the "*2009 QECB Allocation*"); and

WHEREAS, pursuant to the 2009 QECB Allocation, the State of Illinois was awarded $133,846,000 of QECB allocation statewide (the *"Illinois QECB Allocation"*), and, consistent with the intent of the 2009 QECB Allocation, the State of Illinois established sub-allocations to large local issuers and specified that a total of $39,564,954 would be allocated to the eight municipalities with populations over 100,000; a total of $71,660,263 would be allocated to the 19 counties with populations over 100,000, while $22,620,783 would be available for projects in the rest of the State of Illinois with this allocation managed by the Authority; and

WHEREAS, the U.S. Congress Conference Committee evaluating QECBs determined that the 2009 QECB Allocation should also enable States to implement Green Community Programs to issue QECBs for the purpose of financing retrofits of existing private buildings through loans and/or grants to individual homeowners or businesses, or through other repayment mechanisms; and

WHEREAS, Code Section 54D provides that qualified conservation purposes includes "capital expenditures" incurred to implement Green Community Programs; and

WHEREAS, pursuant to IRS Notice 2012-44, 2012-28 IRB 45 (6/25/2012), the purpose of a Green Community Program is to promote one or more of the purposes of energy conservation, energy efficiency, or environmental conservation initiatives relating to energy consumption, broadly construed, and eligible program purposes including, among others, capital expenditures incurred for the promotion of energy savings through retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing, or other efficiency measures; distributed generation initiatives; or transportation initiatives that involve a loan (or other repayment mechanism) or grant program that is broadly available to members of the general public, including individuals or businesses; and

WHEREAS, the IFA's Green Community Program would be broadly available to the general public and would enable use of available, unused QECB allocations statewide by the Authority and, in particular, enable Code Section 501(c)(3) organizations or other private businesses that own buildings within Illinois to gain access to more affordable financing to undertake retrofit projects, including retrofit projects that may also involve on-site renewable energy generation; and

WHEREAS, Qualified Energy Conservation Bonds issued to provide loans, grants, or other repayment mechanisms for capital expenditures to implement Green Community Programs are not treated as private activity bonds for purposes of the restriction under Code Section 54D(e)(3) against using more than 30 percent of 2009 QECB Allocation in each state for private activity bonds; and

WHEREAS, the Authority has the statutory power under 20 ILCS 3501/825-110 to aggregate waived QECB allocations from large municipalities and counties (with populations over 100,000) to issue Bonds using the IFA Green Community Program; and

WHEREAS, after 8 years there remains unused QECB allocations available across various large municipalities and counties statewide, each with populations that exceed 100,000; and

WHEREAS, it is in the best interest of the State of Illinois for the Illinois Finance Authority to develop and offer a Green Community Program for the benefit of existing QECB allocatees within the State of Illinois as well as Code Section 501(c)(3) organizations and private businesses that are seeking to undertake retrofit projects (or retrofit projects that also include on-site renewable energy production from wind, photovoltaic, geothermal, or other renewable resources) in order to optimize use of the remaining 2009 Illinois QECB Allocation; and

WHEREAS, IFA's Green Community Program will provide sufficient flexibility to finance Code Section 501(c)(3) or private, for-profit retrofit and on-site renewable energy generation projects that satisfy IFA's qualifying criteria (including, but not limited to, building-related energy studies undertaken by a licensed professional engineer, among other requirements); and

WHEREAS, it is in the best interest of the State of Illinois to fund local energy conservation projects and building retrofits in buildings owned by non-governmental entities, with the subsidized financing that remains available under the Qualified Energy Conservation Bond program.

NOW, THEREFORE, Be it Resolved by the Members of the Illinois Finance Authority as follows:

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

Section 2. Approval to Establish the Illinois Finance Authority Green Community Program. The Executive Director or his designee is authorized to take all actions, reasonable and necessary, to provide for the establishment of a Green Community Program.

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

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

Section 5. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

[END OF RESOLUTION – THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: April 13, 2017

Re: Resolution Approving the Preliminary Allocation for Bonding Authority of Qualified Energy Conservation Bonds by the Illinois Finance Authority to the Institute of Cultural Affairs and The Ecumenical Institute to Assist in the Financing of the ICA GreenRise Project in an Aggregate Principal Amount Not to Exceed $800,000; and Related Matters

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Request:

The Institute of Cultural Affairs ("**ICA**"), an Illinois not-for-profit corporation, and **The Ecumenical Institute,** an Illinois not-for-profit corporation (the "**Institute**" and together with ICA, the "**Borrowers**"), are requesting the preliminary allocation of bonding authority of Qualified Energy Conservation Bonds ("**QECBs**") under a "green community program" (the "**Green Community Program**") to be established by the Illinois Finance Authority (the "**Authority**" or "**IFA**") pursuant to the requirements of Section 54D of the Internal Revenue Code (the "**Code**") in an amount estimated not to exceed $800,000.

The Borrowers are planning to submit an application to the Illinois Finance Authority for the issuance of QECBs under an Illinois Finance Authority Green Community Program, for the purposes of financing a portion of a loan that would directly or indirectly finance the cost of acquiring, constructing, and installing energy and water conservation retrofit and on-site renewable energy generation components as consistent with the requirements of the Authority's Green Community Program. The proposed improvements would be located at the Borrowers' GreenRise building located at 4750 N. Sheridan Rd., Chicago, Illinois as well as adjacent facilities that are owned and operated by the Borrowers or leased by, or subleased from the Borrowers. The proposed improvements upon completion are expected to result in energy costs savings to the Borrowers' various Code section 501(c)(3) not-for-profit tenants, of which there are 25 currently, and other business tenants.

About The Institute of Cultural Affairs ("ICA") and The Ecumenical Institute:

ICA and the Ecumenical Institute are affiliated entities which have the same Board Members (see list of Board Members on p. 4). The ICA's website is www.ica-usa.org .

ICA is a 501(c)(3) organization for federal tax purposes and serves as an operating entity that (i) manages and leases the ICA GreenRise building and (ii) manages its own programs (focused on community development initiatives both in Chicago and globally for nearly 50 years). ICA houses its administrative offices and provides program services on two floors of the ICA GreenRise Building.

The Ecumenical Institute is a 501(c)(3) corporation for federal tax purposes and was the original entity that established ICA and was also the entity that holds title to the subject property.

Background on the ICA GreenRise Building and Proposed Renovations:

The ICA GreenRise Building at 4750 N. Sheridan building was the headquarters facility for Kemper Insurance Co. (and its predecessors) from approximately 1921 until 1971. The building was one of the largest office buildings located outside the Chicago Loop in the 1920s. Kemper Insurance donated the building to The Ecumenical Institute in 1971.

In March 2013, the Chicago City Council awarded landmark status to the ICA GreenRise building. The ICA GreenRise has been on the Open House Chicago architectural tour for the past 4 years (see site map and photos on pp. 7-8).

The 8-story, 166,000 SF ICA GreenRise building is home to 25 non-profit and human service providers and is the largest non-profit and social services center in the Midwest, serving over 1,000 clients per week with an array of services including: after school programs, community health, job training, workforce development, senior programs, refugee aid, HIV/AIDS prevention, aid to the homeless, and sustainable community efforts. The 7th and 5th floor north wing of the building are "intentional" residential living communities and include outdoor space with urban gardens. Two floors are used for ICA programming.

The ICA GreenRise Project

Previous phases of this redevelopment project have resulted in the financing and installation of a rooftop photovoltaic array that is the 2nd largest solar energy array in Chicago (after the Shedd Aquarium) as well as restoration of the terra cotta exterior.

The proposed building improvement/rehab projects in connection with the proposed IFA Green Community Program QECBs would seek to provide additional energy retrofit and water conservation upgrades. Additionally, ICA is seeking financing to continue historic restoration of the landmarked building.

The proposed energy improvements are part of a comprehensive rehabilitation project that aims to restore the interior and exterior of the ICA GreenRise facility, upgrade the building's envelope (i.e., HVAC systems, windows, doors, insulation, lighting, etc.), provide for the installation of various energy conservation and water conservation improvements (including replacement of all bathroom fixtures), and, prospectively, additional on-site renewable energy generation. These improvements will upgrade a building that is currently subleased to twenty-five (25) 501(c)(3) human service agencies and other businesses, including for-profit tenants.

As a Learning Lab, the ICA GreenRise will offer sustainable innovative solutions for vintage buildings as a national demonstration site for energy and building professionals. Given the historic, landmarked status of the GreenRise Building, and the multiple 501(c)(3) tenants therein, this project provides a good prototype to use QECBs in a Green Community Program that aims to improve a building that serves over 1,000 citizens per week in the Uptown neighborhood.

QECB's – One Part of the Financing Stack – Total Estimated Project Cost - $16.5 million

Given the historic renovation and loan-to-value considerations, the GreenRise Project contemplates a structure involving many sources of financing, in addition to a Senior Lender. (As contemplated, the Senior Lender would originate a portion (estimated at not-to-exceed $800,000) of the Senior Loan as QECBs.) From the Senior Lender's perspective, the QECB would bear a taxable interest rate. The Borrowers, however, would receive a rebate from the U.S. Treasury pursuant to the QECB direct subsidy guidelines provided by the U.S. Department of Treasury. Based on the applicable QECB rates in effect as of 4/3/2017, the Borrowers would receive a rebate that would reduce the effective interest rate on the QECB portion of their Senior Lender loan (i.e., currently estimated at $800,000 of a proposed $6.0 million Senior Loan) by approximately 3.14% based on current market conditions.

In addition to the Senior Lender-financed QECB, the Borrowers are seeking financing from the following sources:

- Federal Historic Tax Credits
- New Markets Tax Credits
- Various Foundations that support energy conservation, water conservation, historic rehabilitation, and 501(c)(3) charitable and human service agencies, and various non-profit lenders (e.g., IFF.org)
- Illinois Finance Authority Loan Participation (see below)

Additional IFA Funds through the IFA Participation Loan Program and/or IFA Renewable Energy Development Fund Participation Loan Program:

In addition to prospectively facilitating a conduit QECB issue on behalf of the Borrowers (to be purchased by a Senior Lender/Bank to be determined), IFA may be asked to provide a Loan Participation to help buy down the interest rate on an additional $500,000 (or more) of the Senior Lender's loan. The IFA participation would help buy down the interest rate on additional debt from the Senior Lender. The total anticipated senior debt is presently estimated at approximately $6.0 million (preliminary, subject to change).

Financing Would Use 100% of IFA's Remaining QECB Allocation - $755,783 as of 4/1/2017:

As proposed, this financing would use 100% of the remaining $755,783 QECB allocation under the Illinois Finance Authority's control. (There remains $755,783 after the Authority transferred QECB allocation to finance government purpose projects on behalf of (i) the Village of Deerfield, (ii) Southern Illinois University (Carbondale), and (iii) the Metropolitan Water Reclamation District of Greater Chicago.)

<u>QECB Example:</u> Prospective QECB Savings to ICA Resulting from QECB Subsidy which provides an Interest Rebate to Offset the Taxable Bank Loan Rate: The following example demonstrates the value of the QECB subsidy to a prospective QECB Borrower (e.g., ICA):

- Note: Qualified Tax Credit Rate (as of 4/3/2017) as posted on the "TreasuryDirect" website: 4.48%
- Note: Maximum Bond Maturity (as of 4/3/2017) as posted on the "TreasuryDirect" website: 31 years

Example: Assumed Taxable QECB Bond Interest Rate Paid to Senior Lender (i.e., Taxable Loan Rate) (set by market sale or negotiation between the Borrower and a QECB Investor – assumes Prime +2.0%):	**5.75%**
<u>Less: QECB Direct Subsidy Computation: (4.48% Qualified Rate x 70% QECB subsidy = 3.14%):</u>	**<u>(3.14%)</u>**
<u>RESULT:</u> Net Effective Interest Rate paid by Borrower after QECB Subsidy – 31 years (maximum maturity):	**<u>2.61%</u>**

<u>Note:</u> The U.S. Treasury cash rebate on QECB Direct Subsidy Bonds remains subject to reduction through federal budget sequestration. Historically, federal budget sequestration has reduced the actual amount of QECB subsidy realized by an Issuer (or conduit borrower such as ICA). Bond Counsel (Dentons LLP – Washington DC) will be advising the Borrowers regarding the impact of federal budget sequestration on savings.

Recommendation and Conditions:

Consistent with the objectives of the Authority's proposed IFA Green Community (QECB) Program, staff recommends a provisional allocation of up to $800,000 of IFA (and Illinois') Qualified Energy Conservation Bond allocation, as requested by the Borrowers (i.e., The Institute of Cultural Affairs and The Ecumenical Institute). QECB proceeds would be used by the Borrowers (on a conduit basis) to finance additional qualified expenditures in connection with energy retrofits, water conservation measures and other capital expenditures designed to result in energy savings or in additional on-site renewable energy generation capacity.

Given the complexity of the proposed ICA GreenRise financing stack, the age of the building, and the non-profit tenant base, it is possible that this financing may require extensive time to structure. Accordingly, as provided in the accompanying Resolution, the initial term of IFA's provisional commitment of IFA's QECB Allocation would be for one-year through 4/30/2018. This commitment would be subject to extension for up to two additional one-year terms upon mutual agreement.

PROFESSIONAL & FINANCIAL – PRELIMINARY

Conduit QECB Co-Borrowers:	(1) The Institute of Cultural Affairs and (2) The Ecumenical Institute	Chicago, IL	Ted Wysocki
Borrower's Counsel:	Dentons LLP	Washington DC	Scott DiMartino
Tax/Bond Counsel:	Dentons LLP	St. Louis, MO	Nick Kappas
Borrower's Advisor:	Henderson and Company	Henderson, NC	Irvin Henderson
Senior Lender:	To be determined		
Counsel to Senior Lender:	To be determined		
NMTC Lender:	To be determined		
Conduit QECB			

Issuer: Illinois Finance Authority Chicago, IL

BOARD OF DIRECTORS FOR:
THE INSTITUTE OF CULTURAL AFFAIRS ("ICA") AND (2) THE ECUMENICAL INSTITUTE

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Carmen Mendoza AC Management Consulting Chicago, IL	**Ted Wysocki, MA** Chicago, IL Chief Executive Officer

IFA RESOLUTION NO. 2017-0413___

RESOLUTION APPROVING THE PRELIMINARY ALLOCATION FOR BONDING AUTHORITY OF QUALIFIED ENERGY CONSERVATION BONDS BY THE ILLINOIS FINANCE AUTHORITY TO THE INSTITUTE OF CULTURAL AFFAIRS AND THE ECUMENICAL INSTITUTE TO ASSIST IN THE FINANCING OF THE ICA GREENRISE PROJECT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $800,000 AND RELATED MATTERS

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

WHEREAS, the Authority is authorized to issue its bonds and notes or to make or acquire loans to provide funds for the purposes of financing the acquisition, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property comprising an "industrial project" as defined under the Act; and

WHEREAS, there has been presented to the Authority by the Institute of Cultural Affairs, an Illinois corporation (the "*ICA*"), and the Ecumenical Institute, an Illinois corporation (together with the "*Institute*" the "*Borrowers*"), a request for the preliminary allocation of bonding authority for Qualified Energy Conservation Bonds ("*QECBs*") under a "green community program" (the "*Green Community Program*") to be established by the

Authority pursuant to the requirements of Section 54D of the Internal Revenue Code of 1986, as amended (the "*Code*"), in an amount estimated not to exceed Eight Hundred Thousand Dollars ($800,000) (the "*Bonds*"); and

WHEREAS, the Bonds are to be issued by the Authority for the purposes of providing a portion of the funds that will be used to finance directly and/or indirectly the cost of acquiring, constructing and installing energy conservation measures, which may also include one or more renewable energy components (the "*Project*") as consistent with requirements of the Authority's Green Community Program at the Borrower's ICA GreenRise building located at 4750 N. Sheridan Rd. Chicago, Illinois as well as adjacent facilities that are owned and operated by the Borrowers or leased by or subleased from the Borrowers (collectively, the "*Property*"); and

WHEREAS, the Project, upon completion, is expected to result in energy conservation at the Property and corresponding energy cost savings to the Borrowers and the various Code Section 501(c)(3) not-for-profit tenants, of which there are 25 located at the Property as of the date of this Resolution, and other business tenants; and

WHEREAS, the Bonds are expected to be utilized in furtherance of the Authority's Green Community Program for capital expenditures on qualified conservation purposes, including through the further lending or investment of such proceeds by Borrowers or any affiliate thereof in a transaction qualifying for new markets tax credits under Section 45D of the Code whereby the ultimate use of proceeds shall be for capital expenditures on qualified conservation purposes; and

WHEREAS, Section 54D of the Code provides for the issuance of QECBs, the proceeds of which are to be used to finance qualified energy conservation projects, including Green Community Program projects, located in the State of Illinois (the "*State*"), including within the jurisdiction of the Authority; and

WHEREAS, 20 ILCS 3501/825-110 authorizes the Authority to manage the State of Illinois's portion of the national QECB allocation under the Code and to allocate and reallocate QECB allocation within the State in order to facilitate the timely issuance of QECBs in the State; and

WHEREAS, in connection with the issuance of the Bonds, the Borrowers are seeking not to exceed Eight Hundred Thousand Dollars ($800,000) in an award of allocation for bonding authority that would support issuance of Bonds under the Authority's Green Community Program; and

WHEREAS, the issuance of the Bonds is subject to the availability of such bonding authority under the Act; and

WHEREAS, the State's maximum limit for QECBs under the Act is $133,846,000, of which $91,660,000 has been issued, leaving a balance of $42,186,000 of bonding authority available for new QECBs, including projects funded pursuant to the Authority's Green Community Program; and

WHEREAS, each of the Members of the Authority present is familiar with the form of this Resolution.

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

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

Section 2. Bonding Authority Allocation Commitment. The Authority approves the encumbrance of bonding authority of QECBs to the Borrowers in an amount sufficient to provide for issuance of the Bonds in an amount not to exceed Eight Hundred Thousand Dollars ($800,000) through April 30, 2018 (which may be extended under such terms as may be determined as mutually agreeable to the Authority and Borrowers). Any Bonds issued under the Authority's Green Community Program will not be deemed "private activity bonds" as provided pursuant to Section 54D of the Internal Revenue Code of 1986, as amended.

Section 3. Issuance of Bonds Subject to Further Approvals. Issuance of the Bonds will be subject to the approval of the terms and conditions of the Bonds and the terms and conditions of the documents relating thereto by subsequent resolution adopted by the members of the Authority in their sole discretion, as well as subject to compliance with the Authority's Green Community Program and other Authority program requirements.

Section 4. Necessary Actions. The Chairman, Vice-Chairman, or Executive Director (each an "Authorized Officer") are each hereby authorized to take any and all actions necessary to carry out the intent of this Resolution.

Section 5. Ratification of Prior Action. All such actions heretofore taken by the Executive Director or any other Authorized Officer in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are ratified.

Section 6. Reliance. These resolutions of the Authority are intended to be and may be relied upon by any person or entity involved in the above-described transactions.

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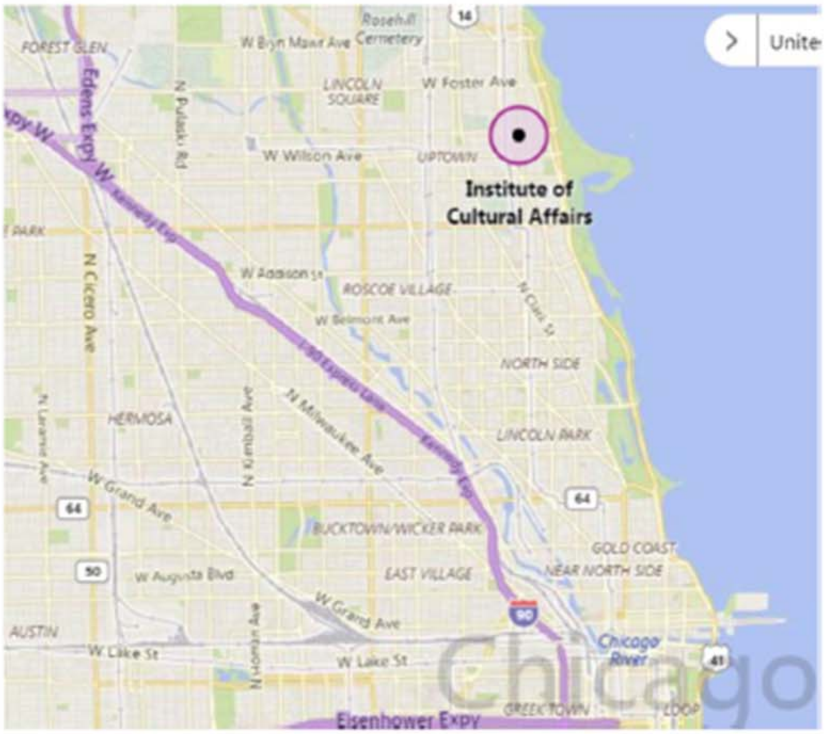
SITE MAP AND PHOTOS – ICA GreenRise – 4750 N. Sheridan Road, Chicago



ROOFTOP SOLAR ARRAY