

ILLINOIS FINANCE AUTHORITY

March 10, 2016

AGENDA

BOARD MEETING

9:30 a.m.

**Michael A. Bilandic Building
160 North LaSalle Street
Suite S-1000
Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Chairman's Remarks
- IV. Message from the Executive Director
- V. Consideration of the Minutes
- VI. Presentation and Consideration of Financial Reports
- VII. Monthly Procurement Report
- VIII. Committee Reports
- IX. Presentation and Consideration of Item Nos. 1-6 of the Project Reports and Resolutions
- X. Closed Session Pursuant to, but not limited to, 5 ILCS 120/2(c)(1) of the Illinois Open Meetings Act
- XI. Public Recital of the Nature of the Matter Considered and Other Information that will Inform the Public of the Business Conducted in Closed Session Pursuant to 5 ILCS 120/2(e) of the Illinois Open Meetings Act
- XII. Presentation and Consideration of Item No. 7 of the Project Reports and Resolutions
- XIII. Other Business
- XIV. Public Comment
- XV. Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|---------------------------------------|-----------------------|---------------------------------|------------------|----------|-------------|-------|
| Beginning Farmer Bonds | | | | | | |
| <i>Final (One-Time Consideration)</i> | | | | | | |
| 1 | A) Timothy W. Ringger | Osceola Township (Stark County) | \$301,000 | - | - | PE/LK |
| | B) Kyler Loepker | Lake Township (Clinton County) | \$502,000 | - | - | PE/LK |
| TOTAL AGRICULTURE PROJECTS | | | \$803,000 | - | - | |

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

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|---|-------------------|-----------------------|---------------------|----------|-------------|-------|
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Final (One-Time Consideration)</i> | | | | | | |
| 2 | DePaul University | Chicago (Cook County) | \$85,000,000 | - | 300 | RF/BF |
| TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS | | | \$85,000,000 | - | 300 | |

HEALTHCARE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|----------------------------------|---|--|----------------------|----------|-------------|-------|
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Final</i> | | | | | | |
| 3 | Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group) | Evanston (Cook County) and Lake Forest (Lake County) | \$135,000,000 | - | 50 | PL/TH |
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Preliminary</i> | | | | | | |
| 4 | Iowa Health System d/b/a UnityPoint Health | Peoria (Peoria County) | \$53,000,000 | - | 365 | PL/TH |
| TOTAL HEALTHCARE PROJECTS | | | \$188,000,000 | - | 415 | |

LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | FM |
|---|--|----------------------------|----------------------|----------|-------------|-------|
| Local Government Revenue Bonds | | | | | | |
| <i>Final</i> | | | | | | |
| 5 | Community Unit School District No. 3, Saline County (Harrisburg) | Harrisburg (Saline County) | \$15,000,000 | - | 31 | RF/BF |
| TOTAL LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS | | | \$15,000,000 | - | 31 | |
| GRAND TOTAL | | | \$288,803,000 | - | 746 | |

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

| Tab | Action | Staff |
|--------------------|---|-------|
| Resolutions | | |
| 6 | Resolution to Accept the Fiscal Year 2015 Financial Audit and Comprehensive Annual Financial Report and the Fiscal Years 2014 and 2015 Compliance Examination | MG/CM |
| 7 | Resolution Regarding the Evaluation, Compensation and Goals of the Executive Director | EW |

Date: March 10, 2016

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

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

From: Christopher B. Meister, Executive Director

Subject: Message from the Executive Director

Dear Members of the Authority:

This month we highlight two important pillars of the Authority's mission: non-profit healthcare and non-profit higher education.

UnityPoint Health: Peoria's Methodist and Proctor Hospitals

The Authority welcomes its second UnityPoint Health ("UnityPoint") transaction this fiscal year. In December 2015, the Authority considered and approved the refunding of Peoria Methodist Medical Center's 2011 bonds in the amount of approximately \$51.2 million. Iowa Health System (d/b/a UnityPoint Health), an Iowa-based nonprofit health system, closed this transaction on February 8, 2016. This month, the Authority considers the approval of a preliminary resolution to allow UnityPoint to refund Peoria Proctor Hospital's 2006 bonds and fund new money capital improvements at Proctor and Methodist hospitals, both in Peoria. The March 2016 preliminary resolution authorizes up to \$53 million in conduit bonds. The Authority welcomes the opportunity to help finance healthcare improvements in the greater Peoria region.

DePaul University

As always, the Authority is pleased to assist DePaul University ("DePaul"), the nation's largest Catholic university by enrollment. DePaul is a longstanding borrower of the Authority and its predecessor conduit issuers. With the bond proceeds of the project on the March 2016 agenda, DePaul plans to build a new Music School building and make other improvements at its Lincoln Park campus, including prospective renovations of its John T. Richardson Library. Additionally, DePaul plans to undertake a series of capital upgrades at its Chicago Loop campus.

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

Date: March 10, 2016

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

From: Brad R. Fletcher, Assistant Vice President

Subject: Minutes of the February 11, 2016 Regular Meeting of the Board

Dear Member of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the “**Minutes**”) in connection with the regular meeting of the Board of Directors of the Illinois Finance Authority (the “**Board**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of February in the year 2016, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

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

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, February 11, 2016
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 16)
- II. Approval of Agenda
(page 4, line 17 through page 5, line 5)
- III. Chairman’s Remarks
(page 5, line 6 through line 9)
- IV. Message from the Executive Director
(page 5, line 10 through line 23)
- V. Consideration of the Minutes
(page 5, line 24 through page 6, line 13)
- VI. Presentation and Consideration of Financial Reports
(page 6, line 14 through page 8, line 15)
- VII. Monthly Procurement Report
(page 8, line 16 through page 10, line 20)



- VIII. Committee Reports
(page 10, line 21 through page 11, line 11)
- IX. Presentation and Consideration of Project Reports and Resolutions
(page 11, line 12 through page 31, line 4)
- X. Other Business
(page 31, line 5 through line 20)
- XI. Public Comment
(page 31, line 21 through line 23)
- XII. Adjournment
(page 31, line 24 through page 32, line 12)

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

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

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President

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

1 ILLINOIS FINANCE AUTHORITY BOARD
2 BOARD OF DIRECTORS REGULAR MEETING
3 February 11th, 2016 at 9:30 o'clock a.m.

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

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1 APPEARANCE:
2 ILLINOIS FINANCE AUTHORITY BOARD OF DIRECTORS

- 3 MR. R. ROBERT FUNDERBURG, Chair man
- MR. ERIC ANDERBERG
- 4 MR. JAMES J. FUENTES
- MR. ROBERT HORNE
- 5 MR. ADAM ISRAELOV
- MS. ARLENE JURACEK
- 6 MR. LERRY KNOX
- MS. GILA J. BRONNER
- 7 MR. MICHAEL W. GOETZ
- MR. ROGER POOLE
- 8 MR. BRADLEY A ZELLER
- MR. LYLE McCOY

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ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

- MR. BRAD FLETCHER, Assi stant Vi ce-Presi dent
- MR. RICH FRAMPTON, Vi ce-Presi dent
- MS. MELINDA GILDART, CFO
- 13 MS. PAMELA LENANE, Vi ce-Presi dent
- MS. ELIZABETH WEBER, General Counsel
- 14 MS. SIX GRANDA, Controller
- MS. TAMMY HARTER, Assi stant/Heal thcare
- 15 MR. CHRIS TOPHER B. MEI STER, Execu ti ve Di rector
- 16 MR. PATRICK EVANS, Agri cul tural Banker (Vi a audi o
conference)

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1 CHAIRMAN FUNDERBURG: I would like to go ahead
 2 and call to order our Board Meeting. If I could
 3 have everyone's attention.

4 Welcome, everyone, we got a full agenda.
 5 So I would like to go ahead and move along. First,
 6 Mr. Fletcher, roll call, please.

7 FLETCHER: Certainl y. Mr. Anderberg?
 Page 2

8 ANDERBERG: Here.
9 FLETCHER: Ms. Bronner?
10 BRONNER: Here.
11 FLETCHER: Mr. Fuentes?
12 FUENTES: Here.
13 FLETCHER: Mr. Goetz?
14 GOETZ: Here.
15 FLETCHER: Mr. Horne?
16 HORNE: Here.
17 FLETCHER: Mr. Israel ov?
18 ISRAELOV: Here.
19 FLETCHER: Ms. Juracek?
20 JURACEK: Here.
21 FLETCHER: Mr. Knox?
22 KNOX: Here.
23 FLETCHER: Mr. McCoy?
24 McCOY: Here.

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1 FLETCHER: Mr. Pool e?
2 POOLE: Here.
3 FLETCHER: Mr. Zeller?
4 ZELLER: Here. And Mr. Chairman?
5 CHAIRMAN FUNDERBURG: Here.
6 FLETCHER: Mr. Chairman, at this time we have a
7 quorum.
8 CHAIRMAN FUNDERBURG: Okay, thank you. Is
9 anybody attending by teleconference?
10 KNOX: I heard someone on there earlier.
11 FLETCHER: Any Board Members on the line?

12 CHAIRMAN FUNDERBURG: Any Board Members on the
13 line? No. Okay. We'll go ahead. I would like to
14 ask for a motion to approve -- I guess we don't need
15 to do that, since there is no one on the line. We
16 have a quorum.

17 I would like to ask, then, is there
18 anybody that would like to correct any errors or
19 make any changes to today's agenda?

20 (No response.)

21 CHAIRMAN FUNDERBURG: Okay. If not, then is
22 there a motion to approve?

23 BRONNER: So moved.

24 CHAIRMAN FUNDERBURG: Is there a second?

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1 JURACEK: Second.

2 CHAIRMAN FUNDERBURG: All in favor?

3 (A chorus of ayes.)

4 CHAIRMAN FUNDERBURG: Any opposed?

5 (No response.)

6 CHAIRMAN FUNDERBURG: Okay, that carries. As
7 far as my remarks, I'll keep them brief. The team
8 has been working hard doing a good job. That's it.
9 Chris?

10 MEISTER: Thank you, Mr. Chairman. Again, just
11 very briefly, the audit was released at the end of
12 January for fiscal year '15 audit. It's noted in
13 the message from the Executive Director.

14 It is on the Auditor General's website.
15 Audit Chair Bronner will be calling a meeting in the
16 near future to discuss that, as well as our combined

17 Annual Financial Report, which is posted on our
18 website and posted on the MSRBs website.

19 We'll also be going over that and the
20 compliance audit, when it's ready. And I would like
21 to congratulate Mr. McCoy on being elected
22 Vice-Chair of the Conduit Committee earlier today.
23 Thank you.

24 CHAIRMAN FUNDERBURG: Okay, thank you. Any
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1 additions or corrections to the minutes of the prior
2 meeting?

3 (No response.)

4 CHAIRMAN FUNDERBURG: None. Is there a motion
5 to approve them?

6 MCCOY: Motion to approve.

7 CHAIRMAN FUNDERBURG: Okay. Is there a second?

8 KNOX: Second.

9 CHAIRMAN FUNDERBURG: All those in favor,
10 please say aye.

11 (A chorus of ayes.)

12 CHAIRMAN FUNDERBURG: Any opposed?

13 (No response.)

14 CHAIRMAN FUNDERBURG: Okay. Thank you. Ayes
15 have it. Next is Ms. Gildhart.

16 GILDART: Good morning. I'm Melinda Gildhart,
17 Chief Financial Officer of the Authority. I'll be
18 presenting this month's Financial Report for FY16
19 unaudited results.

20 The Authority has generated a total

21 \$3.1 million in total annual revenues, which is
22 about 12 percent higher than budget. Our closing
23 fees, which is the primary revenue source, is \$2.2
24 million for the year, and that's 14 percent higher

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1 than budget.

2 In January, we generated \$228,000 in
3 closing fees, and that's our highest monthly total
4 since October, but it's still below our monthly
5 budgeted of \$276,000.

6 We had closing fees from Uni tyPoi nt Heal th
7 of \$106,000; Loyol a Academy for \$34,000; CenterPoi nt
8 Joliet for \$80,000; and ag-related closings of
9 \$7200.

10 Our total annual expense is \$2.4 million,
11 which is 17 percent below budget. So for the month,
12 we have monthly net income of \$44,000. For the
13 year, we have annual net income of \$734,000.

14 The Authority authorized the transfer from
15 the IEPA, that's the Illinois Environmental
16 Protection Agency, the funds that we held for them.
17 They requested a transfer of \$50.4 million back to
18 the custody of the State Treasurer. That was
19 processed in January.

20 The Authority issued 28 new fire truck
21 revolving loan funds totaling \$7.3 million, and we
22 seek to issue 13 new ambulance loans for
23 \$1.7 million.

24 So as Chris mentioned, the audit has

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1 been -- the financial audit has been released. The
2 compliance audit is still pending release by the
3 Office of the Auditor General. Any questions?

4 CHAIRMAN FUNDERBURG: Any questions at all? No
5 questions. Is there a motion to approve the
6 Financial Report. ?

7 BONNER: So moved.

8 GOETZ: Second.

9 CHAIRMAN FUNDERBURG: Motion by Ms. Bronner.
10 Seconded by Mr. Goetz. All those in favor, please
11 say aye.

12 (A chorus of ayes.)

13 CHAIRMAN FUNDERBURG: Any opposed?

14 (No response.)

15 CHAIRMAN FUNDERBURG: Okay, thank you.

16 GILDART: The Monthly Procurement Report, there
17 is a scrivener's error. The report should be dated
18 February 11, 2016.

19 So in today's meeting, we will seek
20 approval from the Board to renew the Authority's
21 master legal pool of 35 law firms for legal
22 services, and approval for emergency contract with
23 ADP Total Source and Accounting Principals,
24 Incorporated.

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1 The Authority also executed, through its
2 exemption for professional artistic services, a

3 contract with Whittaker and Associates for IRS tax
4 preparation and filing services.

5 Other contract renewals in calendar year
6 2016 include both the financial advisory contracts,
7 and also investment management contracts. Any
8 questions?

9 HORNE: I have one question. I was looking at
10 -- there was under the insurance procuring, just it
11 said prior contract amount at 50, and then I think
12 the expense of 233. What was the Delta there?

13 GILDART: That is an outlier.

14 MEISTER: Do you want me to take that?

15 GILDART: Sure.

16 MEISTER: So we have an open issue that we're
17 working with General Counsel and the procurement
18 regulators of the Office of the Chief Procurement
19 Officer.

20 There is a certain threshold that speeds
21 the procurement while preserving transparency and
22 accountable and fairness and objectivity called the
23 small purchase.

24 There is an open question that we are in
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1 discussions with the Chief Procurement Officer as to
2 whether the premium for an insurance broker counts
3 against the \$50,000 cap, whether it's strictly the
4 premium or the premium and the brokerage fee. That
5 is still an open issue; and when we get that
6 resolved, we will come back.

7 HORNE: Okay. I'm trying to understand in the
Page 8

8 context of a new contract.

9 MEISTER: Yes.

10 HORNE: And what to expect.

11 MEISTER: Yes. And we're also trying to
12 understand that, but it appears to be a little bit
13 of an ambiguous area.

14 HORNE: Okay.

15 MEISTER: In the procurement area.

16 GILDART: The previous contract was through ADP
17 Total Source, which was for \$233,000.

18 HORNE: I see. That helps. Okay.

19 CHAIRMAN FUNDERBURG: Okay. Any other
20 questions? If not, thank you very much.

21 One of the five committees met within the
22 past month, the Tax-Exempt Conduit Transactions.
23 Committee Member Horne, please report.

24 HORNE: So we have met, and we reviewed a
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1 number of proposals that I think are going to be
2 presented today. Is that correct?

3 MEISTER: Yes.

4 HORNE: We voted on all of those. We voted
5 unanimously in favor of all of them. So I think
6 we're going to hear --

7 CHAIRMAN FUNDERBURG: Okay.

8 HORNE: -- all the proposals that came before
9 our committee received full approval.

10 CHAIRMAN FUNDERBURG: Great, thank you. That
11 being said, I would like to move on.

12 First, I would like to ask is there
13 general consent of the members to consider all the
14 projects and resolutions collectively, unless there
15 is something that someone would like to pull from
16 the agenda to be considered separately?

17 ISRAELOV: Yes. Mr. Chairman, I would like to
18 remove myself from deliberation and consideration
19 for Items No. 3 and 8.

20 CHAIRMAN FUNDERBURG: Thank you very much. Go
21 ahead.

22 MEISTER: For the record, what is the reason
23 for your recusal?

24 ISRAELOV: Yes. For Item No. 3, some of the
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1 bondholders are clients of my employer; and for Item
2 No. 8, the nature of my work being in law, the
3 various agreements being recommended for approval
4 are with law firms, so I would like to recuse
5 myself.

6 CHAIRMAN FUNDERBURG: Okay. Thank you. Let's
7 go ahead.

8 FLETCHER: Therefore, we'll present the other
9 projects and resolutions to be considered
10 collectively, other than No. 3 and No. 8.

11 Tab number 1 is proposed Final Bond
12 Resolution for the University of St. Francis, a
13 not-to-exceed amount of \$15,000,000.

14 This transaction is returning for your
15 file consideration, after receiving preliminary
16 approval last month, as you recall. Again, USF is a

17 private Catholic university located in Joliet. It
18 was founded in 1920.

19 It currently enrolls approximately 3,500
20 students. The proposed transaction would finance
21 design and construction of a new science building on
22 campus on what is now currently a surface parking
23 lot.

24 Now that the bond documents have been

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1 substantially finalized, we can report that Wintrust
2 Bank will be purchasing \$6,000,000, and PNC Bank
3 will be purchasing \$9,000,000 of debt, with the gap
4 of project funds financed through capital campaign
5 receipts.

6 We recommend approval. We can take any
7 questions at this time.

8 CHAIRMAN FUNDERBURG: Okay.

9 LENANE: Mr. Chairman, thank you. The next
10 project is on tab 2, Christian Homes. Christian
11 Homes is seeking a final approval for \$39,000,000 in
12 financing to refund a series of bonds, IFA bond and
13 also a callable loan, and bonds for \$3,000,000, of
14 which was spent on Indiana facilities. So that
15 makes it an out-of-state transaction.

16 The only change in this, since the
17 preliminary resolution, is that Christian Homes
18 received a rating of BBB minus with a stable outlook
19 since our last meeting, and Christian Homes is a
20 senior living facility.

21 They have approximately 12 communities
22 with 1474 skilled beds, assisted living and
23 independent living located in Illinois, Indiana and
24 Iowa and Missouri. Next?

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1 CHAIRMAN FUNDERBURG: Any questions?

2 LENANE: Any questions? Tab 3 is --

3 MEISTER: Tab 4.

4 LENANE: I go to 4, okay. Tab 4 is
5 Presbyterian Homes Obligated Group are seeking a
6 resolution for \$135,000,000. They are going to
7 refund their Series 1996A, 2001, 2006 and 2007
8 variable rate demand bonds.

9 This is a preliminary resolution. They
10 also have some new money. If we go down to sources
11 and uses, they have some new money shown and that
12 may or may not be used when we go to the final.

13 Presbyterian Homes has two locations in
14 Evanston and Lake Forest. They have another
15 location, but that's not in this financing.

16 They expect that the bonds will be issued
17 in two series, a fixed-rate series and a
18 floating-rate note series, both sold through public
19 offering, and they have applied to both Standard &
20 Poor's and Fitch for a rating.

21 Hopefully, they will have those ratings
22 before we come for the final. I won't go through
23 all the background. You can read it in the report.
24 I think if we just go to the final financials, we

MARZULLO REPORTING AGENCY (312) 321-9365
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1 see that they have very strong financials on page 6.
 2 Debt service coverage in 2014 of 4.62, and
 3 debt service coverage audited in 2015 of 7. -- 7.02.
 4 They also have many dollars cash on hand.
 5 In the end of '14, they had \$1,013; and at the end
 6 of 2014 -- '15, they had \$1,061. Any questions?

7 MEISTER: Could you clarify the amount? I
 8 don't think they had \$1,000.

9 LENANE: Yes.

10 MEISTER: Days cash on hand.

11 LENANE: Days cash on hand. What did I say?

12 CHAIRMAN FUNDERBURG: Any other questions,
 13 clarifications? Okay, thank you.

14 LENANE: Okay. Our next project is on tab 5,
 15 MercyRockford Health System. They are seeking a
 16 Bond Resolution. This is a Preliminary Resolution.

17 They will be coming back for a final, not
 18 next month, but in April for \$550,000,000. They are
 19 going to fund a new campus, a new hospital. They
 20 call it the Riverside Campus.

21 It's located on the east side of Rockford
 22 that will include 188 inpatient beds, extensive
 23 outpatient services, an ambulatory service building,
 24 renovations of -- also, they are going to do some

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1 renovations on Rockford Memorial Hospital, their
 2 merger partner, and they're going to refinance some

3 of Mercy Alliance's debt, some refundings there.

4 MercyRockford a combination of Mercy
5 Alliance out of Janesville, Wisconsin, and Rockford
6 Memorial Hospital located in Rockford. They intend
7 to keep both hospitals, the old hospital open, even
8 after the new hospital is filled.

9 The job data is 1,500 construction jobs
10 and 331 new jobs. The construction jobs were based
11 on discussions with contractors and union officials.
12 We may get a little closer estimate for the final.
13 I'll be working on that.

14 Bonds are going to be sold in a fixed --
15 publicly-offered, fixed-rate debt, and they include
16 some put debt also. They expect an underlying
17 rating of Moody's A3. And also, if we go to the
18 sources and uses, they are also going to use the
19 proceeds to pay the cost of issuance.

20 Also, they are going to pay off a swap of
21 a million eight, and a placement termination fee of
22 \$1,090,000. You can read all about Mercy and
23 Rockford. This will be more fully flushed out, and
24 hopefully we will have some new renderings at the

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1 new hospital at the April Board Meeting.

2 If we go to the financials, they haven't
3 consolidated their financials yet, so we actually
4 ran the financials side by side, and then we
5 consolidated them for the six-month in 2014 and --
6 2014, and the debt service coverage would be
7 combined 3.9, and the days cash on hand would be

8 216. Any questions?
9 HORNE: I assume they got their CON for the
10 new?
11 LENANE: Yes.
12 HORNE: So before something like this would
13 ever come to us, that's all been flushed out,
14 obviously?
15 MS. LENANE: Usually.
16 HORNE: Usually.
17 LENANE: But sometimes they don't have it, and
18 they want a preliminary. They use it as a
19 reimbursement resolution to go back and pick up
20 money that they've spent previously.
21 HORNE: I see.
22 LENANE: But the final, they have to have their
23 CON before we do a final resolution. A Certificate
24 of Need is -- in Illinois, we have a system that
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1 goes way back for when you -- for when you got a
2 payment system, which is entirely different for
3 Medicare and insurance.
4 They actually look at the state. They
5 look at an area, and they see it's an area that is
6 over-bedded. If the area is over-bedded, in their
7 terms over-bedded, then they won't grant the
8 Certificate of Need.
9 So you have to have -- you have to show
10 that there is a need. I won't mention -- there are
11 some hospitals that can't get them to build new

12 facilities because the area is over bedded. Even if
13 people aren't using those, and want another
14 hospital, they can't get it. So it's very
15 complicated.

16 CHAIRMAN FUNDERBURG: Okay. Any other
17 questions? Okay, thank you.

18 LENANE: Thank you.

19 FRAMPTON: Okay. Next we'll move to tab 6,
20 which is a Resolution for University of St. Francis.
21 Mr. Fletcher described a new transaction, Series
22 2016 bonds as tab 1 in this morning's agenda.

23 This Item 6 is really a companion item to
24 Item 1. It will amend and modify certain of the
MARZULLO REPORTING AGENCY (312) 321-9365

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1 business terms between USF, University of
2 St. Francis, and Wintrust Bank, which is the lender
3 and bond purchaser on the Series 2013 bonds.

4 Certain of the amendments will adjust the
5 interest-rate spread on the 2013 bonds that will
6 align covenants between -- financing covenants
7 between the 2013 and 2016 bonds.

8 Additionally, there will be added security
9 in the form of a mortgage on a specified property,
10 as well as security interest and other assets and
11 certain of the pledged -- and certain of the gross
12 revenues of the university. Any questions?

13 CHAIRMAN FUNDERBURG: No questions. Thank you.

14 FRAMPTON: Thank you.

15 MEISTER: Elizabeth?

16 WEBER: I'm Elizabeth Weber, General Counsel to
Page 16

17 the Authority, and I'm presenting Item 7 and 9.
18 Item 7 is a resolution affirming the Authority's
19 continued authorization to acquire State vendor
20 receivables, pursuant to assignment agreements.

21 In November, the Authority passed a
22 resolution which, among other things, authorized
23 this program to purchase vendor receivables using
24 Authority funds in an amount of up to \$12,000,000.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 The receivables are for essential
2 government goods and services, such as food for
3 veterans' home and prisons, and maintenance of
4 government buildings.

5 To date, the Authority has used
6 approximately two-and-a-half million of Authority
7 funds to purchase receivables, all of which are
8 entitled to interest under the Prompt Payment Act,
9 and this resolution is a clarifying resolution
10 affirming the program and clarifying additional
11 statutory provisions supporting the program.

12 Any questions on Item 7? Item 9 is a
13 resolution approving additional contracts for ADP,
14 which provides employee benefits and payroll
15 services, and Accounting Principals, which provides
16 temporary staffing for finance and compliance
17 functions.

18 Please note that there were two changes in
19 this resolution relating to Accounting Principals,
20 due to some last-minute changes in the contract.

21 The dollar amount of the contract increased slightly
22 to \$71,103.36, and the final date was changed to
23 April 22nd, and the revised resolution is in your
24 folders. Those were the only changes.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 Any questions on Item 9?

2 CHAIRMAN FUNDERBURG: No questions. Thank you.
3 That being said, I would like to ask is there a
4 motion to pass and adopt the following Project
5 Reports and Resolutions Items 1, 2, 4, 5, 6, 7, and
6 9.

7 FUENTES: So moved.

8 ANDERBERG: Second.

9 CHAIRMAN FUNDERBURG: Moved by Mr. Fuentes.
10 Seconded by Mr. Anderberg.

11 FLETCHER: On the motion, because these are
12 bond documents, I'll call a roll call.

13 CHAIRMAN FUNDERBURG: Okay, thank you.

14 FLETCHER: So on the motion and second, I'll
15 call the roll. Member Anderberg?

16 ANDERBERG: Yes.

17 FLETCHER: Ms. Bronner?

18 BRONNER: Yes.

19 FLETCHER: Mr. Fuentes?

20 FUENTES: Yes.

21 FLETCHER: Mr. Goetz?

22 GOETZ: Yes.

23 FLETCHER: Mr. Horne?

24 HORNE: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365
Page 18

1 FLETCHER: Mr. Israelov?
2 ISRAELOV: Yes.
3 FLETCHER: Ms. Juracek?
4 JURACEK: Yes.
5 FLETCHER: Mr. Knox?
6 KNOX: Yes.
7 FLETCHER: Mr. McCoy?
8 MCCOY: Yes.
9 FLETCHER: Mr. Pool e?
10 POOLE: Yes.
11 FLETCHER: Mr. Zeller?
12 ZELLER: Yes.
13 FLETCHER: Mr. Chair man?
14 CHAIRMAN FUNDERBURG: Yes.
15 FLETCHER: Mr. Chair man, the moti on carries.
16 CHAIRMAN FUNDERBURG: Thank you. Okay, next
17 we'll go ahead and move on to Agenda Item No. 3.
18 Ms. Lenane?
19 FLETCHER: Let the record reflect Member
20 Israelov left the room.
21 LENANE: The Park Place of Elmhurst is seeking
22 a Final Bond Resoluti on approving a bond exchange
23 restructuring their 2016 -- I mean, their 2010 IFA
24 bonds in connection with a Chapter 11 bankruptcy.
MARZULLO REPORTING AGENCY (312) 321-9365

1 Park Place of Elmhurst is a continuing
2 care retirement communi ty, consisting of 181

3 independent living units, 46 assisted living, and 20
4 memory care units and 37 nursing units.

5 They are seeking a one-time approval,
6 subject to a Bankruptcy Court Order and approval of
7 the limited offering memorandum that will be given
8 to bondholders in the exchange.

9 The keys terms have already been agreed to
10 by 74.2 percent of the existing bondholders, and the
11 bonds will be issued in three series. 85 percent of
12 the total amount outstanding will be exchanged for
13 the 2016 A and B bonds. The balance will be
14 exchanged for the 2016 C bonds.

15 All 2016 bonds will bear interest at rates
16 lower than when they were initially issued. Also,
17 the terms have been extended to give the facility
18 Park Place breathing room so they can catch up on
19 some interest payments.

20 The sponsor, Provident Life Services --
21 and we have a representative of the sponsors here,
22 Bill DeYoung, who is the Chief Financial Officer of
23 Provident Life Services; and also Park Place,
24 Timothy Place, Park Place of Elmhurst.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 And we also have with us Barry
2 VanderGerugten, who is the CFO -- the Director of
3 Finance of Provident Life Services and also Park
4 Place of Elmhurst.

5 Provident Life Services, the sponsor, has
6 already put \$12,000,000, additional dollars, into
7 the project. They are waiving the repayment of

8 those funds, and they are putting an additional
9 \$5,000,000 in now so that they can go forward.

10 Park Place anticipated having a
11 confirmation hearing on the restructuring plan on
12 March 29th and effectuating the bond exchange in
13 April.

14 Contained in your folders are many charts
15 in the financial section on occupancy rates,
16 cash-flow analysis, and we also have cost of
17 issuance for the transaction, but I think you can
18 peruse at your leisure. Any questions?

19 CHAIRMAN FUNDERBURG: Questions? No questions.

20 LENANE: Okay.

21 CHAIRMAN FUNDERBURG: Okay, thank you.

22 WEBER: Item 8 is the a resolution authorizing
23 the Executive Director to renew existing contracts
24 with various legal firms. These are 35 firms in our
MARZULLO REPORTING AGENCY (312) 321-9365

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1 legal pool that were selected through competitive
2 bidding over two years ago.

3 We have two-year contracts with them. The
4 two-year term is expiring. We have the option to
5 renew for an additional year. We're asking for your
6 approval to authorize the Executive Director to
7 enter into these contracts.

8 These are firms that are selected to issue
9 counsel and provide other legal services to the
10 Authority. Any questions?

11 CHAIRMAN FUNDERBURG: You said it is an option?

12 Is this part of the original competitive bid package
13 two years ago?

14 WEBER: As part of the original contract, we
15 had the right to exercise a one-year renewal option.
16 So we're renewing all of them for an additional
17 year.

18 CHAIRMAN FUNDERBURG: Okay.

19 WEBER: 35 of them for an additional year.

20 MEISTER: And again, just to clarify, what the
21 Authority has traditionally done, and what we did in
22 this case, is that we put a solicitation on the
23 street through the procurement portal under the
24 Authority's partial exemption from the Procurement
MARZULLO REPORTING AGENCY (312) 321-9365

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1 Code.

2 Firms applied. In this case, we took all
3 of the applicants, we reviewed all of the
4 applications. So that there were none rejected. So
5 that's how we reached the pool.

6 So I just wanted to clarify the term
7 "competitive" is that they applied. They met
8 minimum standards. They got their regulatory
9 paperwork in order, and we signed the contracts.

10 WEBER: Correct.

11 BRONNER: Question. When would you anticipate
12 releasing beginning the process for the next RFP,
13 given that we have time considerations?

14 MEISTER: We've been having internal
15 discussions on that, and as part of a broader
16 procurement strategy, we're looking at procurements

17 that we can eliminate, procurements that we can
18 consolidate, certain services that we may or may not
19 be able to obtain through inter-governmental
20 agreement with the State, and we're working through
21 that process.

22 BRONNER: Okay, thank you.

23 HORNE: So this list is just firms that we can
24 do business with, not necessarily that we are doing

MARZULLO REPORTING AGENCY (312) 321-9365

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1 business with?

2 MEISTER: Yes. I think the vast majority of
3 them have done business with us in the last year, at
4 least. I would think probably at least 25.

5 HORNE: Okay.

6 JURACEK: How do we apportion work to each of
7 the law firms?

8 MEISTER: Frankly, what happens is that a
9 recommendation comes from staff with at least three
10 firms on issuer's counsel, which are paid out of the
11 cost of the issuance, but not generally by a check
12 from the Authority to the firm.

13 So they're paid like the bankers or the
14 bond counsel, or the other professionals. There is
15 a set fee that goes from roughly \$5,000 to just over
16 \$18,000; and because we do not run a closed shop,
17 the borrowers are free to select their bankers and
18 their bond counsel and other professionals.

19 So what we do is the two revenue leads,
20 the two vice-presidents, Vice-President Frampton and

21 Vice-President Lenane, submit at least three firms
22 and lawyers to the General Counsel, who then
23 discusses them with me, and sometimes they go back
24 and have discussions with the vice-presidents.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 We look at opportunities for minority and
2 women-owned firms, but also since we live with these
3 documents over a longer period of time, and the most
4 important provisions are the indemnity provisions
5 that in the event of an IRS audit, it allows us to
6 shift the cost.

7 We have an extensive discussion. We look
8 for geographic diversity. We look for MBE. We look
9 for quality of work. And again, oftentimes there
10 are conflicts because of the bond counsel and
11 underwriter's counsel that have been selected by the
12 borrowers. So we need to take that into account.

13 I would just say most recently, we had an
14 opportunity with MercyRockford, where a Wisconsin
15 bond firm and bond lawyer had traditionally
16 represented the borrower, and there was a request
17 from the borrower to have an collegial financing
18 team that they were consistent with.

19 The bond counsel -- we had a contract with
20 that bond counsel. That particular bond counsel was
21 somebody who clearly had professional
22 qualifications, and we were able to exercise our
23 business judgment under this to make the assignment
24 to this Wisconsin bond counsel, who I think --

MARZULLO REPORTING AGENCY (312) 321-9365
Page 24

1 WEBER: Which also has a Chicago office.

2 MEISTER: Which also has a Chicago office, and
3 we had a contract, but in this case we were able to
4 exercise business judgment, protect the interests of
5 the Authority, and provide a welcoming environment
6 to a new Wisconsin-based borrower to the IFA.

7 CHAIRMAN FUNDERBURG: Okay. Any other
8 questions?

9 GOETZ: I have one. I know one of these firms
10 is south of I80. Are there any others?

11 MEISTER: At least two.

12 WEBER: At least two.

13 GOETZ: Two others, or two including --

14 MEISTER: Witsman and Miller Hall Triggs. And
15 again, when these contracts were originally entered
16 into, we took some pains to try and prod downstate
17 firms into filling out the procurement paperwork, in
18 order to become part of our pool, because we find it
19 to be very useful.

20 GOETZ: Okay.

21 CHAIRMAN FUNDERBURG: Any other questions?
22 Okay, if not, then I would like to go ahead and ask
23 is there a motion to adopt the following Projects
24 Report and Resolution: Items 3 and 8?

MARZULLO REPORTING AGENCY (312) 321-9365

1 POOLE: Motion to approve.

2 McCOY: Second.

3 FLETCHER: There' s moti on and second.
4 CHAIRMAN FUNDERBURG: Roll call.
5 FLETCHER: I will call the roll. Member
6 Anderberg?
7 ANDERBERG: Yes.
8 FLETCHER: Ms. Bronner?
9 BRONNER: Yes.
10 FLETCHER: Mr. Fuentes?
11 FUENTES: Yes.
12 FLETCHER: Mr. Goetz?
13 GOETZ: Yes.
14 FLETCHER: Mr. Horne?
15 HORNE: Yes.
16 FLETCHER: Ms. Juracek?
17 JURACEK: Yes.
18 FLETCHER: Mr. Knox?
19 KNOX: Yes.
20 FLETCHER: Mr. McCoy?
21 MCCOY: Yes.
22 FLETCHER: Mr. Pool e?
23 POOLE: Yes.
24 FLETCHER: Mr. Zeller?

MARZULLO REPORTING AGENCY (312) 321-9365

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1 ZELLER: Yes.
2 FLETCHER: Mr. Chair man?
3 CHAIRMAN FUNDERBURG: Yes.
4 FLETCHER: Mr. Chair man, moti on carries.
5 CHAIRMAN FUNDERBURG: Thank you. I would like
6 to just go ahead and ask do we have any other
7 business that comes before the Members? Anybody

8 have any other business?

9 (No response.)

10 CHAIRMAN FUNDERBURG: Okay. Since there is
11 none, I would like to ask for a motion to excuse
12 absences of members who were unable to participate
13 today. Is there such a motion?

14 ZELLER: So moved.

15 KNOX: Second.

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

18 (A chorus of ayes.)

19 CHAIRMAN FUNDERBURG: Any opposed?

20 (No response.)

21 CHAIRMAN FUNDERBURG: At this point, I would
22 like to ask for any public comments? Okay, there is
23 no public comment.

24 The next regular meeting is scheduled for
MARZULLO REPORTING AGENCY (312) 321-9365

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1 March 10th, 2016. I would like to ask for a motion
2 to adjourn until such time. Is there such a motion?

3 KNOX: So moved.

4 CHAIRMAN FUNDERBURG: Motion by Mr. Knox. Is
5 there a second?

6 ZELLER: Second.

7 CHAIRMAN FUNDERBURG: Seconded by Mr. Zeller.
8 All in favor?

9 (A chorus of ayes.)

10 CHAIRMAN FUNDERBURG: The meeting is adjourned.
11 Thank you all very much.

12 FLETCHER: The time is 10:04 a.m.
 13 (WHICH WERE ALL THE PROCEEDINGS HAD at 10:04 a.m.)
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MARZULLO REPORTING AGENCY (312) 321-9365

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

3
 4 PAMELA A. MARZULLO, C. S. R., being first duly sworn,
 5 says that she is a court reporter doing business in the city
 6 of Chicago; that she reported in shorthand the proceedings
 7 had at the Proceedings of said cause; that the foregoing is
 8 a true and correct transcript of her shorthand notes, so
 9 taken as aforesaid, and contains all the proceedings of said
 10 meeting.

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

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2-11-16-2. txt

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MARZULLO REPORTING AGENCY (312) 321-9365

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ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD VOICE VOTE
FEBRUARY 11, 2016 AGENDA OF THE REGULAR MEETING OF THE BOARD
ADOPTED

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD VOICE VOTE
JANUARY 14, 2016 MINUTES OF THE REGULAR MEETING
OF THE BOARD
ADOPTED

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

E – Denotes Excused Absence

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

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-NP01
501(c)(3) REVENUE BOND – UNIVERSITY OF ST. FRANCIS
FINAL
PASSED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-HC02
501(c)(3) REVENUE BOND – CHRISTIAN HOMES, INC.
FINAL
PASSED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|-----------|---|----------|---|--------------|
| Y | Anderberg | Y | Israelov | Y | Poole |
| Y | Bronner | Y | Juracek | E | Tessler |
| Y | Fuentes | Y | Knox | E | Yonover |
| Y | Goetz | Y | McCoy | Y | Zeller |
| Y | Horne | E | O'Brien | Y | Mr. Chairman |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-HC03
501(c)(3) REVENUE BOND – TIMOTHY PLACE, NFP, D/B/A PARK PLACE ELMHURST,
AND CHRISTIAN HEALTHCARE FOUNDATION, NFP (PARK PLACE OF ELMHURST
PROJECT)
FINAL (ONE-TIME CONSIDERATION)
PASSED

February 11, 2016

11 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|-----------|----|----------|---|--------------|
| Y | Anderberg | NV | Israelov | Y | Poole |
| Y | Bronner | Y | Juracek | E | Tessler |
| Y | Fuentes | Y | Knox | E | Yonover |
| Y | Goetz | Y | McCoy | Y | Zeller |
| Y | Horne | E | O'Brien | Y | Mr. Chairman |

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-HC04
501(c)(3) REVENUE BOND – PRESBYTERIAN HOMES OBLIGATED GROUP
PRELIMINARY
PASSED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-HC05
501(c)(3) REVENUE BOND – MERCYROCKFORD HEALTH SYSTEM CORPORATION
PRELIMINARY
PASSED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-AD06
RESOLUTION AUTHORIZING OR APPROVING THE EXECUTION AND DELIVERY OF
FIRST SUPPLEMENTAL BOND AND LOAN AGREEMENT AND FIRST AMENDMENT
TO THE ADDITIONAL COVENANT AGREEMENT RELATING TO THE REVENUE
REFUNDING BOND, SERIES 2013 (UNIVERSITY OF ST. FRANCIS); AND RELATED
MATTERS
ADOPTED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|-----------|---|----------|---|--------------|
| Y | Anderberg | Y | Israelov | Y | Poole |
| Y | Bronner | Y | Juracek | E | Tessler |
| Y | Fuentes | Y | Knox | E | Yonover |
| Y | Goetz | Y | McCoy | Y | Zeller |
| Y | Horne | E | O'Brien | Y | Mr. Chairman |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-AD07
RESOLUTION AFFIRMING THE ILLINOIS FINANCE AUTHORITY'S CONTINUED
AUTHORIZATION TO ACQUIRE STATE VENDOR RECEIVABLES PURSUANT TO
ASSIGNMENT AGREEMENTS
ADOPTED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-AD08
R RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW EXISTING
CONTRACTS WITH VARIOUS LEGAL FIRMS
ADOPTED

February 11, 2016

11 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

NV Israelov
Y Juracek
Y Knox
Y McCoy
E O'Brien

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2016-0211-AD09
RESOLUTION APPROVING EMERGENCY CONTRACT EXTENSION WITH ADP
TOTALSOURCE, INC./ADP TOTALSOURCE MI VII, LLC (EMPLOYEE BENEFITS AND
PAYROLL SERVICES) AND ACCOUNTING PRINCIPALS
ADOPTED*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz
Y Horne

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

Y Poole
E Tessler
E Yonover
Y Zeller
Y Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

FINANCIAL ANALYSIS

March 10, 2016

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL REPORTS
MONTHLY AND ANNUAL SUMMARY AS OF FEBRUARY 29, 2016***

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

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

- a. **Total Annual Revenues** equal \$3.4 million and are \$176 thousand or 6% higher than budget-due primarily to **higher** than expected closing fees received earlier in the fiscal year. Closing fees year to date of \$2.4 million, are \$165 thousand or 8% **higher** than budget. Annual fees of \$195 thousand are \$43 thousand lower than the budgeted amount. Administrative service fees are \$93 thousand for the year and 8 times higher than budget. Application fees total \$38 thousand and are almost twice the budgeted amount. Total accrued interest income from the former IRBB local governments and others totaled \$661 thousand. Net investment income stands at \$90 thousand for the fiscal year and \$35 thousand lower than budget.
- b. In **February**, the Authority generated \$155 thousand in closing fees, the lowest monthly total in FY16, and less than the monthly budget of \$276 thousand. Closing fees were received from: **Christian Homes** for \$42 thousand; **University of St. Francis** for \$60 thousand and **Chicago Shakespeare Theatre** for \$53 thousand. Administrative service fees totaled \$4,200. Investment information for February is not yet available, but in January, we recorded a net investment gain of over \$88 thousand-the highest monthly total in fiscal year 2016. Per the Authority's investment manager, January's higher investment returns were the result of a decline in interest rates (thus increasing prices) as the equity market declined significantly. There was a flight to quality, as investors bought more conservative investments (US Treasuries/Agencies) in fear of the overall capital market. This influx of purchasing drove yields lower and prices higher, resulting in the Authority's investments increasing in value in January 2016.
- c. **Total Annual Expenses** of \$2.8 million, which is \$545 thousand or 17% lower than budget, are mostly driven by vacant budgeted staff positions and delays in IT projects and purchases. Year to date employee expenses total \$1.2 million and professional services total \$1.1 million; with each function at 25% and 7% under budget, respectively. Annual occupancy costs of \$167 thousand are right on target with the budget, while general and administrative costs are \$282 thousand for the year, which is 7% over budget. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) are \$2.4 million.
- d. In **February**, the Authority recorded operating expenses of \$374 thousand, which is lower than the monthly budgeted amount of \$419 thousand.
- e. **Total Monthly Net Loss** of -\$127 thousand is driven by lower closing fees and an uptick in operating expenses.
- f. **Total Annual Net Income** is \$695 thousand. The major driver of the annual positive bottom line continues to be the level of overall spending at 17% below budget, as well as higher administrative service and application fees.

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

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS
MONTHLY AND ANNUAL SUMMARY AS OF FEBRUARY 29, 2016***

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Statement of Net Position (Balance Sheet) represents results as of January 31, 2016. As of this date, the Authority is a \$120 million dollar agency which also currently accounts for \$266 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for \$24 billion in outstanding debt.

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

In the General Fund, IFA continues to maintain a strong balance sheet with total net position of \$53.3 million. The total assets in the General Fund are \$53.9 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$26.3 million (with \$5.8 million in securities which were liquidated to purchase State of Illinois receivables, as of January 2016). Notes receivables from the former IRBB local governments total \$20.2 million, Participation, DACA and other loans receivables are at \$2.9 million and the Primary Government Borrowing Fund (State of Illinois) accounts receivables total \$2.4 million. Restricted cash and investments in the DACA Loan Fund total \$1.3 million. Liabilities, current and non-current, total just \$612 thousand.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

Year to date activity for all other funds will be updated for the April 2016 board meeting.

5. FY14 AND FY15 FINANCIAL/COMPLIANCE AUDITS AND REGULATORY UPDATES

- a. The Authority's FY14/FY15 Financial Audit and Compliance Examination are completed and the Authority is currently developing mitigation/remediation plans for the noted findings.
- b. Upcoming Governmental Accounting Standards Board (GASB) accounting and financial reporting issues critical to the Authority's financial presentation in FY16/FY17 include changes in investment reporting, fiduciary activities, leases, grants, nonexchange transaction compliance and indirectly, new guidance on tax abatements for local governments. The Financial Accounting Standards Board (FASB) has also (in response to GASB's initiative), submitted a proposal for all private sector entities to also disclose assistance received from governmental entities. GFOA, in addition to numerous state and local government finance organizations, are working with its members to support efforts to preserve the tax exemption on municipal bond interest and federal legislation to have municipal securities classified as High Quality Liquid Assets (HQLA).

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

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



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2016 AS OF FEBRUARY 29, 2016
(PRELIMINARY AND UNAUDITED)

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | BUDGET VARIANCE (\$) | BUDGET VARIANCE (%) |
|---|--------------------|-------------------|------------------|--------------------|---------------------|---------------------|------------------|---------------------|-------------|-------------|-------------|-------------|---------------------|---------------------|----------------------|---------------------|
| Operating Revenues: | | | | | | | | | | | | | | | | |
| Closing Fees | 177,507 | 292,080 | 792,030 | 447,890 | 163,066 | 114,611 | 227,594 | 155,443 | - | - | - | - | 2,370,221 | 2,205,297 | 164,924 | 7.5% |
| Annual Fees | 16,990 | 11,752 | 14,204 | 76,691 | - | 40,004 | 34,357 | 1,344 | - | - | - | - | 195,342 | 238,468 | (43,126) | -18.1% |
| Administrative Service Fees | - | 15,000 | 10,000 | - | - | 43,429 | 25,000 | - | - | - | - | - | 93,429 | 10,000 | 83,429 | 834.3% |
| Application Fees | 3,000 | 4,800 | 6,100 | 11,100 | 4,900 | 2,400 | 1,200 | 4,200 | - | - | - | - | 37,700 | 20,600 | 17,100 | 83.0% |
| Miscellaneous Fees | 139 | 1,213 | - | 341 | - | - | 94 | 13 | - | - | - | - | 1,800 | 3,667 | (1,867) | -50.9% |
| Interest Income-Loans | 83,318 | 82,857 | 82,675 | 82,712 | 82,661 | 84,109 | 81,346 | 81,346 | - | - | - | - | 661,024 | 682,621 | (21,597) | -3.2% |
| Other Revenue | - | 973 | 169 | 207 | 206 | 207 | 200 | 4,748 | - | - | - | - | 6,710 | 29,333 | (22,623) | -77.1% |
| Total Operating Revenue: | \$280,954 | \$ 408,675 | \$905,178 | \$618,941 | \$ 250,833 | \$ 284,760 | \$369,791 | \$ 247,094 | \$ - | \$ - | \$ - | \$ - | \$ 3,366,226 | \$ 3,189,986 | \$ 176,240 | 5.5% |
| Operating Expenses: | | | | | | | | | | | | | | | | |
| Employee Related Expense | 141,053 | 142,455 | 148,939 | 148,049 | 140,690 | 140,655 | 159,303 | 145,878 | - | - | - | - | 1,167,022 | 1,556,819 | (389,797) | -25.0% |
| Professional Services | 106,155 | 59,247 | 135,606 | 191,582 | 161,386 | 202,640 | 111,720 | 138,334 | - | - | - | - | 1,106,670 | 1,192,051 | (85,381) | -7.2% |
| Occupancy Costs | 19,832 | 23,793 | 11,217 | 42,809 | 13,219 | 15,474 | 14,647 | 25,605 | - | - | - | - | 166,596 | 166,943 | (347) | -0.2% |
| General & Administrative | 29,890 | 28,028 | 30,407 | 27,060 | 34,883 | 35,370 | 36,173 | 60,173 | - | - | - | - | 281,984 | 264,251 | 17,733 | 6.7% |
| Depreciation and Amortization | 6,078 | 6,120 | 6,120 | 3,942 | 3,942 | 3,942 | 3,942 | 3,942 | - | - | - | - | 38,028 | 125,389 | (87,361) | -69.7% |
| Total Operating Expense | \$303,008 | \$ 259,643 | \$332,289 | \$413,442 | \$ 354,120 | \$ 398,081 | \$325,785 | \$ 373,931 | \$ - | \$ - | \$ - | \$ - | \$ 2,760,299 | \$ 3,305,453 | \$ (545,154) | -16.5% |
| Operating Income(Loss) | \$ (22,054) | \$ 149,032 | \$572,889 | \$205,499 | \$ (103,287) | \$ (113,321) | \$ 44,006 | \$ (126,837) | \$ - | \$ - | \$ - | \$ - | \$ 605,927 | \$ (115,467) | \$ 721,394 | 624.8% |
| Nonoperating Revenues (Expenses) | | | | | | | | | | | | | | | | |
| Miscellaneous Non-Opertg Rev/(Exp) | - | - | - | - | (610) | - | - | - | - | - | - | - | (610) | (333) | (277) | 83.2% |
| Bad Debt Adjustments (Expense) | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,667 | (6,667) | -100.0% |
| Interest and Investment Income | 25,941 | 26,361 | 26,202 | 21,742 | 27,014 | 19,922 | 16,590 | N/A | - | - | - | - | 163,772 | 217,467 | (53,695) | -24.7% |
| Realized Gain (Loss) on Sale of Invest | (473) | (1,332) | (442) | (502) | (9,686) | (9) | 14,798 | N/A | - | - | - | - | 2,354 | (8,667) | 11,021 | -127.2% |
| Net Appreciation (Depr) in FV of Invest | (12,645) | (26,167) | 32,129 | (35,752) | (58,174) | (32,358) | 56,645 | N/A | - | - | - | - | (76,322) | (91,333) | 15,011 | -16.4% |
| Total Nonoperating Rev (Exp) | \$ 12,823 | \$ (1,138) | \$ 57,889 | \$ (14,512) | \$ (41,456) | \$ (12,445) | \$ 88,033 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 89,194 | \$ 123,801 | \$ (34,607) | -28.0% |
| Net Income (Loss) Before Transfers | \$ (9,231) | \$ 147,894 | \$630,778 | \$190,987 | \$ (144,743) | \$ (125,766) | \$132,039 | \$ (126,837) | \$ - | \$ - | \$ - | \$ - | \$ 695,121 | \$ 8,334 | \$ 686,787 | 8240.8% |
| Transfers: | | | | | | | | | | | | | | | | |
| Transfers in from other funds | - | - | - | - | 251,683 | 2,076,383 | 72,226 | - | - | - | - | - | 2,400,292 | - | - | 0.0% |
| Transfers out to other funds | - | - | - | - | (251,665) | (2,076,383) | (72,226) | - | - | - | - | - | (2,400,274) | - | - | 0.0% |
| Total Transfers In (Out) | \$ - | \$ - | \$ - | \$ - | \$ 18 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18 | \$ - | \$ - | 0.0% |
| Net Income (Loss) | \$ (9,231) | \$ 147,894 | \$630,778 | \$190,987 | \$ (144,725) | \$ (125,766) | \$132,039 | \$ (126,837) | \$ - | \$ - | \$ - | \$ - | \$ 695,139 | \$ 8,334 | \$ 686,805 | 8241.0% |

**Investment information is as of January 2016. Data for February 2016 will be provided at the April 2016 board meeting.*



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

| | GENERAL FUND | LOCALLY HELD FIRE TRUCK REV LOAN FUND | LOCALLY HELD AMBULANCE REV LOAN FUND | ALL OTHER NON-MAJOR FUNDS | SUBTOTAL IFA FUNDS | OTHER STATE OF IL DEBT FUNDS | TOTAL ALL FUNDS | METRO EAST POLICE DISTRICT COMMISSION |
|---|----------------------|--|---|---------------------------------|--------------------------|------------------------------------|-----------------------|---|
| Assets and Deferred Outflows: | | | | | | | | |
| Current Assets: | | | | | | | | |
| Unrestricted: | | | | | | | | |
| Cash & cash equivalents | 11,132,043 | - | - | 39,401 | 11,171,444 | - | 11,171,444 | - |
| Investments | 4,879,905 | - | - | 721,521 | 5,601,426 | - | 5,601,426 | - |
| Accounts receivable, Net | 2,457,381 | - | - | - | 2,457,381 | - | 2,457,381 | - |
| Loans receivables, Net | 2,157,575 | - | - | - | 2,157,575 | - | 2,157,575 | - |
| Accrued interest receivable | 487,716 | - | - | - | 487,716 | - | 487,716 | - |
| Bonds and notes receivable | 1,677,800 | - | - | - | 1,677,800 | - | 1,677,800 | - |
| Due from other funds | 21,528 | - | - | - | 21,528 | - | 21,528 | - |
| Due from other local government agencies | - | - | - | 3,000,000 | 3,000,000 | - | 3,000,000 | - |
| Prepaid Expenses | 122,546 | - | - | - | 122,546 | - | 122,546 | - |
| Total Current Unrestricted Assets | \$ 22,936,494 | \$ - | \$ - | \$ 3,760,922 | \$ 26,697,416 | \$ - | \$ 26,697,416 | \$ - |
| Restricted: | | | | | | | | |
| Cash & Cash Equivalents | 479,853 | 499,369 | 1,008,519 | 3,833,794 | 5,821,535 | 51,652,044 | 57,473,579 | 25,921 |
| Deposits in transit | - | - | 42 | - | 42 | - | 42 | - |
| Investments | 235,373 | 194,602 | 2,954,978 | 4,124,349 | 7,509,302 | - | 7,509,302 | - |
| Accrued interest receivable | - | - | - | 4,591 | 4,591 | 18,886 | 23,477 | - |
| Due from primary government | - | - | - | 155,000 | 155,000 | - | 155,000 | - |
| Bonds and notes receivable from State component units | - | - | - | - | - | 1,074,042 | 1,074,042 | - |
| Loans receivables, Net | - | 1,359,288 | 74,320 | 46,731 | 1,480,339 | - | 1,480,339 | - |
| Total Current Restricted Assets | \$ 715,226 | \$ 2,053,259 | \$ 4,037,859 | \$ 8,164,465 | \$ 14,970,809 | \$ 52,744,972 | \$ 67,715,781 | \$ 25,921 |
| Total Current Assets | \$ 23,651,720 | \$ 2,053,259 | \$ 4,037,859 | \$ 11,925,387 | \$ 41,668,225 | \$ 52,744,972 | \$ 94,413,197 | \$ 25,921 |
| Non-current Assets: | | | | | | | | |
| Unrestricted: | | | | | | | | |
| Investments | 10,328,176 | - | - | 1,106,987 | 11,435,163 | - | 11,435,163 | - |
| Loans receivables, Net | 770,633 | - | - | - | 770,633 | - | 770,633 | - |
| Bonds and notes receivable | 18,519,237 | - | - | - | 18,519,237 | - | 18,519,237 | - |
| Due from other local government agencies | - | - | - | - | - | - | - | - |
| Total Noncurrent Unrestricted Assets | \$ 29,618,046 | \$ - | \$ - | \$ 1,106,987 | \$ 30,725,033 | \$ - | \$ 30,725,033 | \$ - |
| Restricted: | | | | | | | | |
| Cash & Cash Equivalents | - | - | - | 600,000 | 600,000 | - | 600,000 | - |
| Investments | 559,379 | 210,220 | 6,300 | 6,475,907 | 7,251,806 | 3,272,078 | 10,523,884 | - |
| Funds in the custody of the Treasurer | - | 122,060 | 19 | 18,048,683 | 18,170,762 | - | 18,170,762 | - |
| Loans receivables, Net | - | 19,965,258 | 172,960 | 1,379,419 | 21,517,637 | - | 21,517,637 | - |
| Bonds and notes receivable from primary government | - | - | - | - | - | 57,990,687 | 57,990,687 | - |
| Bonds and notes receivable from State component units | - | - | - | - | - | 31,366,177 | 31,366,177 | - |
| Total Noncurrent Restricted Assets | \$ 559,379 | \$ 20,297,538 | \$ 179,279 | \$ 26,504,009 | \$ 47,540,205 | \$ 92,628,942 | \$ 140,169,147 | \$ - |
| Capital Assets | | | | | | | | |
| Capital Assets | 784,479 | - | - | - | 784,479 | - | 784,479 | - |
| Accumulated Depreciation | (745,998) | - | - | - | (745,998) | - | (745,998) | - |
| Total Capital Assets | \$ 38,481 | \$ - | \$ - | \$ - | \$ 38,481 | \$ - | \$ 38,481 | \$ - |
| Total Noncurrent Assets | \$ 30,215,906 | \$ 20,297,538 | \$ 179,279 | \$ 27,610,996 | \$ 78,303,719 | \$ 92,628,942 | \$ 170,932,661 | \$ - |



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

| | GENERAL FUND | LOCALLY HELD FIRE TRUCK REV LOAN FUND | LOCALLY HELD AMBULANCE REV LOAN FUND | ALL OTHER NON-MAJOR FUNDS | SUBTOTAL IFA FUNDS | OTHER STATE OF IL DEBT FUNDS | TOTAL ALL FUNDS | METRO EAST POLICE DISTRICT COMMISSION |
|---|-----------------|--|---|---------------------------------|--------------------------|------------------------------------|-----------------------|---|
| Total Assets | \$ 53,867,626 | \$ 22,350,797 | \$ 4,217,138 | \$ 39,536,383 | \$ 119,971,944 | \$ 145,373,914 | \$ 265,345,858 | \$ 25,921 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | | | |
| Deferred loss on debt refunding | - | - | - | - | - | 671,983 | 671,983 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 671,983 | \$ 671,983 | \$ - |
| Total Assets & Deferred Inflows of Resources | \$ 53,867,626 | \$ 22,350,797 | \$ 4,217,138 | \$ 39,536,383 | \$ 119,971,944 | \$ 146,045,897 | \$ 266,017,841 | \$ 25,921 |



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

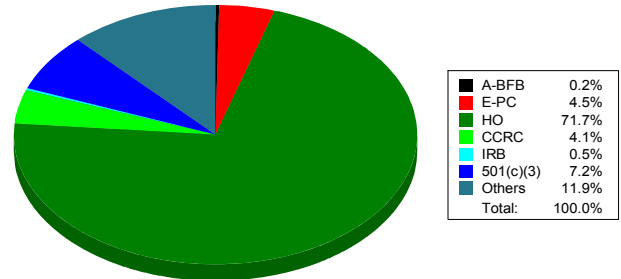
| | GENERAL FUND | LOCALLY HELD FIRE TRUCK REV LOAN FUND | LOCALLY HELD AMBULANCE REV LOAN FUND | ALL OTHER NON-MAJOR FUNDS | SUBTOTAL IFA FUNDS | OTHER STATE OF IL DEBT FUNDS | TOTAL ALL FUNDS | METRO EAST POLICE DISTRICT COMMISSION |
|---|----------------------|---------------------------------------|--------------------------------------|---------------------------|-----------------------|------------------------------|-----------------------|---------------------------------------|
| Liabilities: | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Payable from unrestricted current assets: | | | | | | | | |
| Accounts payable | 58,271 | - | - | - | 58,271 | - | 58,271 | - |
| Accrued liabilities | 133,098 | - | - | - | 133,098 | - | 133,098 | - |
| Due to employees | 101,017 | - | - | - | 101,017 | - | 101,017 | - |
| Due to primary government | 80,001 | - | - | - | 80,001 | - | 80,001 | - |
| Due to other funds | - | - | - | 21,528 | 21,528 | - | 21,528 | - |
| Other liabilities | 50,000 | - | - | - | 50,000 | - | 50,000 | 25,912 |
| Unearned revenue, net of accumulated amortization | 189,728 | - | - | - | 189,728 | - | 189,728 | - |
| Total Current Liabilities Payable from Unrestricted Current Assets | \$ 612,115 | \$ - | \$ - | \$ 21,528 | \$ 633,643 | \$ - | \$ 633,643 | \$ 25,912 |
| Payable from restricted current assets: | | | | | | | | |
| Accrued interest payable | - | - | - | 515 | 515 | 1,176,113 | 1,176,628 | - |
| Bonds and notes payable from primary government | - | - | - | - | - | - | - | - |
| Bonds and notes payable from State component units | - | - | - | - | - | 841,018 | 841,018 | - |
| Current portion of long term debt | - | - | - | 60,584 | 60,584 | - | 60,584 | - |
| Other liabilities | - | - | - | 155,000 | 155,000 | - | 155,000 | - |
| Unamortized bond premium | - | - | - | - | - | 1,566,584 | 1,566,584 | - |
| Total Current Liabilities Payable from Restricted Current Assets | \$ - | \$ - | \$ - | \$ 216,099 | \$ 216,099 | \$ 3,583,715 | \$ 3,799,814 | \$ - |
| Total Current Liabilities | \$ 612,115 | \$ - | \$ - | \$ 237,627 | \$ 849,742 | \$ 3,583,715 | \$ 4,433,457 | \$ 25,912 |
| 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 | - | - | - | - | - | 97,675,000 | 97,675,000 | - |
| Bonds and notes payable from State component units | - | - | - | - | - | 36,862,465 | 36,862,465 | - |
| Noncurrent portion of long term debt | - | - | - | 248,512 | 248,512 | - | 248,512 | - |
| Noncurrent loan reserve | - | - | - | 562,675 | 562,675 | - | 562,675 | - |
| Unamortized bond premium | - | - | - | - | - | 7,924,717 | 7,924,717 | - |
| Total Noncurrent Liabilities Payable from Restricted Noncurrent | \$ - | \$ - | \$ - | \$ 811,187 | \$ 811,187 | \$ 142,462,182 | \$ 143,273,369 | \$ - |
| Total Noncurrent Liabilities | \$ 585 | \$ - | \$ - | \$ 811,187 | \$ 811,772 | \$ 142,462,182 | \$ 143,273,954 | \$ - |
| Total Liabilities | \$ 612,700 | \$ - | \$ - | \$ 1,048,814 | \$ 1,661,514 | \$ 146,045,897 | \$ 147,707,411 | \$ 25,912 |
| Net Position: | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | |
| Restricted | 38,481 | - | - | - | 38,481 | - | 38,481 | - |
| Unrestricted | - | 22,105,662 | 4,209,192 | 33,588,661 | 59,903,515 | - | 59,903,515 | - |
| Current Change in Net Position | 52,482,632 | - | - | 4,844,161 | 57,326,793 | - | 57,326,793 | - |
| | 733,813 | 245,135 | 7,946 | 54,747 | 1,041,641 | - | 1,041,641 | 9 |
| Total Net Position | \$ 53,254,926 | \$ 22,350,797 | \$ 4,217,138 | \$ 38,487,569 | \$ 118,310,430 | \$ - | \$ 118,310,430 | \$ 9 |
| Total Liabilities & Net Position | \$ 53,867,626 | \$ 22,350,797 | \$ 4,217,138 | \$ 39,536,383 | \$ 119,971,944 | \$ 146,045,897 | \$ 266,017,841 | \$ 25,921 |

Bonds Issued - Fiscal Year Comparison for the Period Ending February 29, 2016

Fiscal Year 2014

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

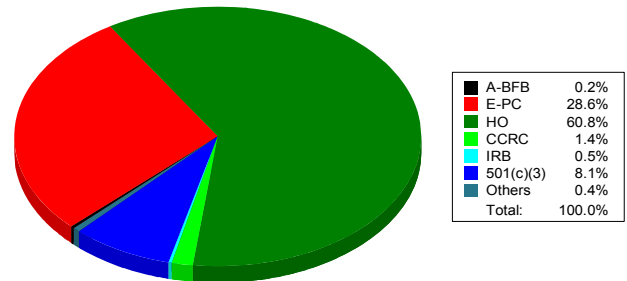
Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

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

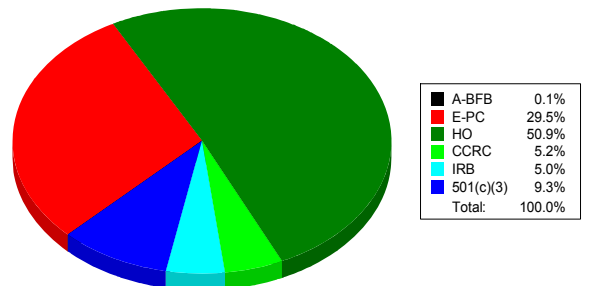
Bonds Issued in Fiscal Year 2015



Fiscal Year 2016

| # | Market Sector | Principal Issued |
|-----------|-------------------------------|------------------------|
| 6 | Agriculture - Beginner Farmer | 1,779,775 |
| 7 | Education | 588,265,000 |
| 9 | Healthcare - Hospital | 1,014,973,000 |
| 3 | Healthcare - CCRC | 102,807,000 |
| 1 | Industrial Revenue | 100,000,000 |
| 6 | 501(c)(3) Not-for-Profit | 186,265,000 |
| 32 | | \$1,994,089,775 |

Bonds Issued in Fiscal Year 2016





**Bonds Issued and Outstanding
as of
February 29, 2016**

Bonds Issued between July 01, 2015 and February 29, 2016

| <u>Bond Issue</u> | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u> | <u>Bonds Refunded</u> |
|---|--------------------|------------------------------|-------------------------|-----------------------|
| A-BFB Beginning Farmer Bond | 07/01/2015 | Fixed at Schedule | 1,779,775 | 0 |
| E-PC North Central College | 07/09/2015 | Variable | 30,177,000 | 0 |
| 501(c)(3) Shedd Aquarium Society | 07/24/2015 | Fixed at Schedule | 22,945,000 | 22,945,000 |
| 501(c)(3) Field Museum of Natural History | 07/28/2015 | Variable | 88,500,000 | 88,500,000 |
| HO Little Company of Mary Hospital | 08/18/2015 | Variable | 102,000,000 | 72,000,000 |
| 501(c)(3) The Joint Commission | 08/26/2015 | Fixed at Schedule | 16,000,000 | 0 |
| 501(c)(3) Providence St. Mel | 09/01/2015 | Variable | 19,040,000 | 9,800,000 |
| 501(c)(3) Goodman Theatre | 09/01/2015 | Fixed at Schedule | 24,680,000 | 24,680,000 |
| CCRC Villa St. Benedict | 09/10/2015 | Fixed at Schedule | 39,030,000 | 37,210,000 |
| E-PC The University of Chicago | 09/10/2015 | Fixed at Schedule | 415,825,000 | 224,030,000 |
| HO Advocate Health Care | 09/25/2015 | Fixed at Schedule | 100,000,000 | 100,000,000 |
| HO OSF HealthCare System | 09/28/2015 | Fixed at Schedule | 368,150,000 | 216,231,343 |
| HO Palos Community Hospital | 10/01/2015 | Variable | 232,015,000 | 220,145,000 |
| HO Riverside Health Systems | 10/14/2015 | Variable | 37,165,000 | 37,165,000 |
| E-PC Columbia College Chicago | 10/15/2015 | Fixed at Schedule | 58,465,000 | 58,465,000 |
| CCRC Plymouth Place | 10/20/2015 | Fixed at Schedule | 56,260,000 | 56,260,000 |
| HO Advocate Health Care | 10/22/2015 | Fixed at Schedule | 71,645,000 | 0 |
| E-PC Nazareth Academy | 10/28/2015 | Variable | 25,200,000 | 10,500,000 |
| HO Sarah Bush Lincoln Health Center | 11/24/2015 | Variable | 30,000,000 | 0 |
| HO Passavant Hospital | 11/30/2015 | Variable | 22,778,000 | 0 |
| CCRC Norwegian Lutheran Bethesda Home Association | 12/16/2015 | Variable | 7,517,000 | 582,446 |
| E-PC Intrinsic Schools-Belmont School Project | 12/17/2015 | Fixed at Schedule | 21,855,000 | 0 |
| E-PC Loyola Academy | 01/26/2016 | Variable | 21,743,000 | 21,500,000 |
| IRB CenterPoint Joliet Terminal Railroad, LLC | 01/28/2016 | Variable | 100,000,000 | 0 |
| HO UnityPoint Health | 02/08/2016 | Variable | 51,220,000 | 51,220,000 |
| 501(c)(3) Chicago Shakespeare Theater | 02/11/2016 | Variable | 15,100,000 | 4,100,000 |
| E-PC University of St. Francis | 02/23/2016 | Variable | 15,000,000 | 0 |

Total Bonds Issued as of February 29, 2016 \$ 1,994,089,775 \$ 1,255,333,789

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

Beginner Farmer Bonds interest rates are shown in section below.



Beginner Farmer Bonds Funded between July 01, 2015 and February 29, 2016

| <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>Acres</u> | <u>County</u> |
|------------------------------------|--------------------------------------|----------------------|---------------|---------------|
| 09/30/2015 | 5.00 | 460,000 | 80.00 | Montgomery |
| 10/02/2015 | 5.00 | 98,100 | 39.24 | Saline |
| 10/14/2015 | 5.00 | 333,750 | 50.00 | Ford |
| 11/09/2015 | 2.9 | 174,000 | 58.00 | Wayne |
| 12/11/2015 | 3.25 | 230,000 | 33.00 | Whiteside |
| 12/29/2015 | 3.00 | 483,925 | 74.45 | Henry |
| Total Beginner Farmer Bonds Issued | | <u>\$ 1,779,775</u> | <u>334.69</u> | |

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

| Section I (a) | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|--------------------------|--------------------------|--------------------------|-------------------------|
| | June 30, 2015 | February 29, 2016 | | |
| Illinois Finance Authority "IFA" ^[b] | | | | |
| Agriculture | \$ 48,313,152 | \$ 50,092,927 | | |
| Education | 4,273,041,117 | 4,640,202,977 | | |
| Healthcare | 13,533,399,874 | 13,961,033,571 | | |
| Industrial Development [includes Recovery Zone/Midwest Disaster] | 695,925,824 | 832,410,373 | | |
| Local Government | 294,800,000 | 299,555,000 | | |
| Multifamily/Senior Housing | 168,364,435 | 166,441,477 | | |
| 501(c)(3) Not-for Profits | 1,406,590,039 | 1,571,745,481 | | |
| Exempt Facilities Bonds | 249,915,000 | 199,915,000 | | |
| 1 Total IFA Principal Outstanding | \$ 20,670,349,441 | \$ 21,721,396,806 | | |
| Illinois Development Finance Authority "IDFA" ^[b] | | | | |
| Education | 496,388 | 496,388 | | |
| Healthcare | 80,200,000 | 80,200,000 | | |
| Industrial Development | 113,009,098 | 213,696,143 | | |
| Local Government | 358,231,651 | 224,802,285 | | |
| Multifamily/Senior Housing | 704,441,769 | 83,679,117 | | |
| 501(c)(3) Not-for Profits | 118,035,000 | 629,984,708 | | |
| Exempt Facilities Bonds | | | | |
| Total IDFA Principal Outstanding | \$ 1,374,413,906 | \$ 1,232,858,640 | | |
| Illinois Rural Bond Bank "IRBB" ^[b] | | | | |
| Total IRBB Principal Outstanding | \$ - | \$ - | | |
| Illinois Health Facilities Authority "IHFA" | \$ 739,875,000 | \$ 642,304,894 | | |
| Illinois Educational Facilities Authority "IEFA" | \$ 640,921,000 | \$ 572,918,000 | | |
| Illinois Farm Development Authority "IFDA" ^[1] | \$ 15,646,526 | \$ 15,587,111 | | |
| Total Illinois Finance Authority Debt | \$ 23,441,205,873 | \$ 24,185,065,451 | \$ 28,150,000,000 | \$ 3,964,934,549 |

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

| Section I (b) | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | June 30, 2015 | February 29, 2016 | | |
| General Purpose Moral Obligations | | | | |
| Illinois Finance Authority Act [20 ILCS 3501/801-40(w)] | | | | |
| * Issued through IRBB - Local Government Pools | | | | |
| * Issued through IFA - Local Government Pools | | | | |
| Issued through IFA - Illinois Medical District Commission | 36,280,000 | 34,885,000 | | |
| Total General Moral Obligations | \$ 36,280,000 | \$ 34,885,000 | \$ 150,000,000 | \$ 115,115,000 |
| * All the Local Government bonds were defeased as of August 1, 2014. | | | | |
| Financially Distressed Cities Moral Obligations | | | | |
| Illinois Finance Authority Act [20 ILCS 3501/825-60] | | | | |
| Issued through IFA | \$ - | \$ - | | |
| Issued through IDFA | - | - | | |
| Total Financially Distressed Cities | \$ - | \$ - | \$ 50,000,000 | \$ 50,000,000 |
| State Component Unit Bonds ^[c] | | | | |
| Issued through IDFA ^[1] | - | - | | |
| Issued through IFA ^[1] | 122,656,626 | 100,826,357 | | |
| Total State Component Unit Bonds | \$ 122,656,626 | \$ 100,826,357 | | |

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

| Section I (c) | Principal Outstanding | | Remaining MDAB Volume Cap |
|--|-----------------------|----------------------|---------------------------|
| | June 30, 2015 | February 29, 2016 | |
| Midwestern Disaster Area Bonds [Flood Relief] | \$ 65,257,870 | \$ 64,719,538 | 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 |
| 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 | | Program Limitations | Remaining Capacity |
|-----------------------|-----------------------|-------------------|---------------------|--------------------|
| | June 30, 2015 | February 29, 2016 | | |
| Illinois Power Agency | \$ - | \$ - | \$ 4,000,000,000 | \$ 4,000,000,000 |

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

| Section III | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|-----------------------|-------------------|---------------------------------|--------------------|
| | June 30, 2015 | February 29, 2016 | | |
| Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects | \$ - | \$ - | \$ 3,000,000,000 ^[d] | \$ 3,000,000,000 |

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

| Section IV | Principal Outstanding | | Program Limitations | Remaining Capacity | State Exposure |
|---|-----------------------|----------------------|-------------------------------|-----------------------|----------------------|
| | June 30, 2015 | February 29, 2016 | | | |
| Agri Debt Guarantees [Restructuring Existing Debt] | | | | | |
| Fund # 994 - Fund Balance \$10,187,531 | \$ 8,108,370 | \$ 7,259,803 | \$ 160,000,000 | \$ 152,740,197 | \$ 6,168,978 |
| AG Loan Guarantee Program | | | | | |
| Fund # 205 - Fund Balance \$7,867,724 | \$ 8,511,765 | \$ 7,684,961 | \$ 225,000,000 ^[e] | \$ 217,315,039 | \$ 6,532,217 |
| Agri Industry Loan Guarantee Program | \$ 4,543,157 | \$ 3,992,786 | | | 3,393,869 |
| Farm Purchase Guarantee Program | 909,887 | 898,197 | | | 763,468 |
| Specialized Livestock Guarantee Program | 2,163,574 | 1,920,064 | | | 1,632,054 |
| Young Farmer Loan Guarantee Program | 895,146 | 873,914 | | | 742,826 |
| Total State Guarantees | \$ 16,620,134 | \$ 14,944,764 | \$ 385,000,000 | \$ 370,055,236 | \$ 12,701,195 |

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

| Section V | Principal Outstanding | | Cash and Investment Balance |
|---|-----------------------|-------------------|-----------------------------|
| | June 30, 2015 | February 29, 2016 | |
| Fire Truck Revolving Loan Program* Fund # 572 | \$ 17,052,813 | \$ 21,324,546 | \$ 1,020,917 |
| Ambulance Revolving Loan Program * Fund # 334 | \$ 415,920 | \$ 247,280 | \$ 3,965,156 |

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

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

| Section VI | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| | June 30, 2015 | February 29, 2016 | | |
| Environmental [Large Business] | | | | |
| Issued through IFA | \$ 16,495,000 | \$ 63,570,000 | | |
| Issued through IDFA | 118,035,000 | 113,710,000 | | |
| Total Environmental [Large Business] | \$ 134,530,000 | \$ 177,280,000 | \$ 2,425,000,000 | \$ 2,247,720,000 |
| Environmental [Small Business] | \$ - | \$ - | \$ 75,000,000 | \$ 75,000,000 |
| Total Environment Bonds Issued under Act | \$ 134,530,000 | \$ 177,280,000 | \$ 2,500,000,000 | \$ 2,322,720,000 |

Illinois Finance Authority Funds at Risk

| Section VII | Original Amount | Principal Outstanding | |
|--|-------------------|-----------------------|-------------------|
| | | June 30, 2015 | February 29, 2016 |
| Participation Loans | | | |
| Business & Industry | 23,020,158 | 1,107,646 | 1,064,554 |
| Agriculture | 6,079,859 | 96,159 | 96,159 |
| Participation Loans exluding Defaults & Allowances | 29,100,017 | 1,203,805 | 1,160,713 |
| Plus: Legacy IDFA Loans in Default | | 858,458 | 843,173 |
| Less: Allowance for Doubtful Accounts | | 1,002,182 | 976,359 |
| Total Participation Loans | | 1,060,081 | 1,027,527 |
| Local Government Direct Loans | 1,289,750 | 126,000 | 114,000 |
| Rural Bond Bank Local Government Note Receivable | | 20,462,037 | 17,189,937 |
| FmHA Loans | 963,250 | 207,658 | 192,118 |
| Renewable Energy [RED Fund] | 2,000,000 | 1,302,261 | 1,238,350 |
| Total Loans Outstanding | 34,353,017 | 23,158,036 | 19,761,932 |
| IRBB funds were defeased and transferred into a note receivable with the IFA. | | | |

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

| Section VIII | Principal Outstanding | | Statutory Debt Limitation | Remaining HELA Debt Limitation |
|---|-----------------------|-------------------|-------------------------------|--------------------------------|
| | June 30, 2015 | February 29, 2016 | | |
| Midwestern University Foundation - Student Loan Program Revenue Bonds | \$ 15,000,000 | \$ 15,000,000 | \$ 200,000,000 ^[d] | \$ 185,000,000 |

[a] Total subject to change; late month payment data may not be included at issuance of report.
 [b] State Component Unit Bonds included in balance.
 [c] Does not include Unamortized issuance premium as reported in Audited Financials.
 [d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.
 [e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.
 [f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
 [g] Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.
 [h] Recovery Zone Facility Revenue Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]
 [i] Includes EPA Clean Water Revolving Fund
 * Preliminary balances that are subject to change.



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

PRELIMINARY AND UNAUDITED

Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: March 10, 2016
Re: Monthly Procurement Report

CONTRACTS EXECUTED

| Services Provided | Vendor | Proposed Initial Term (Yrs) | Estimated Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Expense |
|--|---|------------------------------------|----------------------------|----------------------------|---------------------------------|-------------------------------|-------------------------|
| <i>Illinois Procurement Code-Emergency Contracts</i> | | | | | | | |
| State of Illinois Procurement for Legal Services | Mayer Brown, LLP | 90 days | 12/15-02/16 | \$ 75,000 | \$ 39,474 | \$ 39,474 | \$ 19,737 |
| <i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i> | | | | | | | |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Various - Pool comprised of 38 firms: | 1 | - | \$ 750,000 | \$ 2,250,000 | N/A | \$ 750,000 |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Armstein & Lehr LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Burke Burns & Pinelli, Ltd. | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Cahill Law Offices | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Chapman and Cutler LLP | 1 | 03/14-03/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Charity & Associates, P.C. | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Del Galdo Law Group | 1 | 03/14-03/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Deutsch, Levy & Engel, Chtd. | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Duane Morris LLP | 1 | 03/14-03/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Foley & Lardner LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Franczek Radelet | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Gonzalez Saggio and Harlan, LLC | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Greenberg Traurig, LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Greene and Letts | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Hardwick Law Firm LLC | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Hart, Southworth & Witsman | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Hinshaw & Culbertson LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Holland & Knight LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Howard & Howard Attorneys PLLC | 1 | 03/14-03/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Ice Miller LLP | 1 | 02/14-06/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Katten Muchin Rosenman LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Kutak Rock LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Laner Muchin, Ltd | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | McGaugh Law Group LLC | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | McGuire Woods LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Miller, Canfield, Paddock and Stone, P.L.C. | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Miller, Hall, & Triggs, LLC | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Peck, Shaffer & Williams LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Pugh, Jones & Johnson, P.C. | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

PRELIMINARY AND UNAUDITED

Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: March 10, 2016
Re: Monthly Procurement Report

| | | | | | | | |
|--|-----------------------------------|---|-------------|-----|-----|-----|-----|
| Legal Services-Master Legal Pool Contract/Approved Counsel | Quarles & Brady LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Quintairos, Prieto, Wood, & Boyer | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Reyes Kurson, LTD. | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Rock Fusco & Connelly, LLC | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Sanchez Daniels & Hoffman LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Schiff Hardin LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Shanahan & Shanahan LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Taft Stettinius & Hollister, LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Thompson Coburn LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |
| Legal Services-Master Legal Pool Contract/Approved Counsel | Ungaretti & Harris LLP | 1 | 02/14-02/16 | N/A | N/A | N/A | N/A |

CONTRACTS PENDING EXECUTION

| Services Provided | Vendor | Proposed Initial Term (Yrs) | Estimated Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Expense |
|---|------------------------------------|--|--------------------------------|--------------------------------|-------------------------------------|---------------------------------------|-----------------------------|
| <i>Illinois Procurement Code-Competitive Bids/Proposals</i> | | | | | | | |
| Debt Management Software Application | Technology Partnership Group, Inc. | 3 | 04/16-03/18 | \$ 552,250 | N/A | N/A | N/A |
| <i>Illinois Procurement Code-CPO Small Purchases</i> | | | | | | | |
| Insurance Brokering Services-Employee Benefits | Mesirow Insurance Services, Inc. | 1 | 06/16-05/17 | \$ 50,000 | \$ 50,000 | \$ 233,000 | \$ 233,000 |



ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

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To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: March 10, 2016
Re: Monthly Procurement Report

EXPIRED AND EXPIRING CONTRACTS

| Services Provided | Vendor | Previous Term (Yrs) | Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Expense |
|---|-------------------------------------|---------------------|-------------|---------------------|--------------------------|------------------------|------------------|
| Illinois Procurement Code-Competitive Bids/Proposals | | | | | | | |
| Legislative Services (Expired 9/30/15) | Howard Kenner Government Consulting | 90 days | 07/15-09/15 | \$ 15,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Bank Of America/Merrill Lynch Inc. | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Citigroup | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Piper Jaffray & Co. | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Ramirez & Co., Inc. | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Siebert Brandford Shank & Co. | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Wells Fargo Bank | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | J.P. Morgan Securities LLC | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Jeffries LLC | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Loop Capital Markets LLC | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Morgan Stanley & Co. LLC | 3 | 08/13-07/16 | - | - | - | - |
| State of Illinois Revolving Fund Program Financing - Underwriting Services* | Raymond James | 3 | 08/13-07/16 | - | - | - | - |
| Financing for energy efficiency projects* | Noresco, LLC | 5 | 11/11-11/16 | - | - | - | - |
| <i>*Per the direction of the Executive Director, these contracts will not be renewed and/or new solicitations will not be initiated</i> | | | | | | | |
| Illinois Procurement Code-CPO Emergency Contracts | | | | | | | |
| Loan Management Services | Mabsco, Inc. | 90 days | 01/16-03/16 | \$ 25,000 | \$ 50,000 | \$ 50,000 | \$ 100,000 |
| Paying Agent/Custodian Services | U.S. Bank National Association | 90 days | 01/16-03/16 | 4,750 | 9,500 | 9,500 | 20,000 |
| IT Network Consulting Services | Catalyst Consulting, Inc. | 90 days | 01/16-03/16 | 15,000 | 30,000 | 30,000 | 60,000 |
| Board Book Printing Services | Swift Impressions, Inc. | 90 days | 01/16-03/16 | 2,500 | 6,000 | 6,000 | 10,000 |
| Temporary Finance/Procurement/Compliance Staffing | Accounting Principals, Inc. | 90 days | 01/16-04/16 | 71,103 | 46,992 | 46,992 | 150,000 |
| Payroll Services and Employee Benefits | ADP TotalSource, Inc. | 121 days | 01/16-05/16 | 99,800 | 74,850 | 74,850 | 233,000 |
| Illinois Procurement Code-CPO Small Purchases | | | | | | | |
| Insurance Brokering Services-Director's/Officers; Property/Casualty | Mesirow Insurance Services, Inc. | 1 | 06/15-06/16 | \$ 22,900 | \$ 22,900 | \$ 22,900 | \$ 22,900 |
| Electronic Records Management Software-Maintenance/Support | Com Microfilm | 16 mos | 03/15-06/16 | 24,000 | N/A | N/A | 12,000 |
| Electronic Records Management Software-Document Scanning | Com Microfilm | 15 mos | 03/15-06/16 | 49,500 | 175,000 | 175,000 | 66,726 |
| Temporary Staffing Services | Anchor Staffing | 1 | 07/15-06/16 | 49,500 | 25,000 | 25,000 | 25,000 |
| Moving and storage services | Midwest Moving and Storage, Inc. | 1 | 07/15-06/16 | 35,000 | 45,000 | 45,000 | 45,000 |
| IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals | | | | | | | |
| Indicative Ratings | Fitch Ratings | 2 | 04/14-03/16 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 |



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

PRELIMINARY AND UNAUDITED

Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: March 10, 2016
Re: Monthly Procurement Report

UPCOMING RENEWALS

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

ACTIVE SOLICITATIONS

| Services Provided | Vendor | Proposed Initial Term (Yrs) | Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Expense |
|--|--------|-----------------------------|-------------|---------------------|--------------------------|------------------------|------------------|
| <i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i> | | | | | | | |
| Specialty Accounting/Audit Services | TBD | 2 | 04/16-03/18 | N/A | \$ - | \$ - | \$ - |

UPCOMING SOLICITATIONS

| Services Provided | Vendor | Proposed Initial Term (Yrs) | Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Expense |
|---|----------------------------|-----------------------------|-------------|---------------------|--------------------------|------------------------|------------------|
| <i>Illinois Procurement Code-Competitive Bids/Proposals</i> | | | | | | | |
| Employee Benefits and Payroll Services | TBD | - | - | N/A | \$ 233,000 | \$ 233,000 | \$ 233,000 |
| IT Software Support and Temporary Staffing | Anticipated award Aug 2016 | 2 | 09/16-08/18 | N/A | - | - | - |
| IT Network Support | Anticipated award Aug 2016 | 3 | 09/16-08/19 | N/A | 90,000 | 90,000 | 30,000 |
| Typesetting and Printing Services | Anticipated award Aug 2016 | 3 | 09/16-08/19 | N/A | 40,000 | 40,000 | 40,000 |
| Financial Advisory Services (State Revolving Fund) | Anticipated award Aug 2016 | 3 | 09/16-08/19 | N/A | - | - | - |
| Marketing Services | Anticipated award Aug 2016 | 3 | 09/16-08/19 | N/A | 300,000 | 179,276 | 89,638 |
| Insurance Broker | Anticipated award Jun 2016 | 3 | 06/16-06/19 | N/A | 68,700 | 68,700 | 22,900 |



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

PRELIMINARY AND UNAUDITED

Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: March 10, 2016
Re: Monthly Procurement Report

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

| | | | | | | | |
|---|----------------------------|---|-------------|-----|------------|------------|-----------|
| Loan Management and Paying Agent/Custodian Services | Anticipated award Aug 2016 | 3 | 09/16-08/19 | N/A | \$ 110,000 | \$ 158,662 | \$ 52,887 |
| Financial Deposit Institution/Cash Management | Anticipated award Aug 2016 | 5 | 09/16-08/21 | N/A | 105,000 | 105,000 | 105,000 |
| Investment Advisor and/or Mgmt. Services | Per BOD Direction | 2 | N/A | N/A | N/A | N/A | N/A |

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

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

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

MONTHLY PROCUREMENT REPORT CONTINUED
March 10, 2016

| SUMMARY OF PROCUREMENT ACTIVITY SINCE MAY 2014 | | | | | | | | | | |
|---|--------------------------|----------------------|--------------|---|----------------------|--------------|---------------------------|----------------------|--------------|--|
| MONTH | CONTRACTS AWARDED | | | SOLICITATIONS/PROCUREMENTS INITIATED | | | CONTRACTS EXECUTED | | | |
| | IL PROC CODE | IFA EXEMPTION | TOTAL | IL PROC CODE | IFA EXEMPTION | TOTAL | IL PROC CODE | IFA EXEMPTION | TOTAL | |
| May, 2014 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 1 | 1 | |
| June, 2014 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 2 | 2 | |
| July, 2014 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 7 | 7 | |
| August, 2014 | 0 | 2 | 2 | 1 | 1 | 2 | 0 | 2 | 2 | |
| September, 2014 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | |
| October, 2014 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | |
| November, 2014 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | |
| December, 2014 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | |
| February, 2015 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | |
| March, 2015 | 0 | 1 | 1 | 2 | 0 | 2 | 0 | 0 | 0 | |
| April, 2015 | 0 | 2 | 2 | 2 | 0 | 2 | 0 | 0 | 0 | |
| May, 2015 | 13 | 1 | 14 | 1 | 2 | 3 | 0 | 0 | 0 | |
| June, 2015 | 8 | 1 | 9 | 1 | 2 | 3 | 0 | 0 | 0 | |
| July, 2015 | 0 | 0 | 0 | 1 | 2 | 3 | 10 | 2 | 12 | |
| August, 2015 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | |
| September, 2015 | 1 | 0 | 1 | 1 | 1 | 2 | 5 | 0 | 5 | |
| October, 2015 | 3 | 0 | 3 | 0 | 1 | 1 | 0 | 0 | 0 | |
| November, 2015 | 2 | 0 | 2 | 3 | 1 | 4 | 5 | 0 | 5 | |
| December, 2015 | 0 | 0 | 0 | 0 | 1 | 1 | 3 | 0 | 3 | |
| January, 2016 | 7 | 1 | 8 | 9 | 1 | 10 | 10 | 1 | 11 | |
| February, 2016 | 1 | 36 | 37 | 0 | 1 | 1 | 1 | 36 | 37 | |
| Totals | 35 | 51 | 86 | 27 | 18 | 45 | 34 | 51 | 85 | |

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Patrick Evans and Lorrie Karcher
Date: March 10, 2016
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 \$520,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Bond Financing Presented for Approval: \$803,000**
- **Calendar Year Summary:** (as of March 10, 2016)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$1,158,720
 - Volume Cap Remaining: \$8,841,280
 - Average Farm Acreage: 64
 - Number of Farms Financed: 5
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - Convey tax-exempt status
 - Will use dedicated 2016 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel: Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A. Project Number: 30365
Borrower(s): Ringger, Timothy W.
Borrower Benefit: First Time Land Buyer
Town: Bradford, IL
IFA Bond Amount: \$301,000
Use of Funds: Farmland – 80 acres of farmland
Purchase Price: \$617,639 / \$7,720 per acre
% Borrower Equity: 10%
% USDA Farm Service Agency: 45% (*Subordinate Financing*)
% IFA: 45% (Bank-purchased Bond – Senior Financing)
Township: Osceola
Counties/Regions: Stark / North Central
Lender/Bond Purchase: State Bank of Toulon / Doug Blunier
Legislative Districts:
Congressional: 16
State Senate: 37
State House: 73

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

B. Project Number: 30366
Borrower(s): Loepker, Kyler
Borrower Benefit: First Time Land Buyer
Town: Bartelso, IL
IFA Bond Amount: \$502,000
Use of Funds: Farmland – 153.5 acres of farmland
Purchase Price: \$870,000 / \$5,668 per acre
% Borrower Equity: 5.7%
% USDA Farm Service Agency: 34.5% (*Subordinate Financing*)
% IFA: 59.8% (Bank-purchased Bond – Senior Financing)
Township: Lake
Counties/Regions: Clinton / Southwestern
Lender/Bond Purchase: The First National Bank of Carlyle / Chris Maschhoff
Legislative Districts:
Congressional: 15
State Senate: 54
State House: 108

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

\$85,000,000 (not-to-exceed amount)

March 10, 2016

DePaul University

| REQUEST | <p>Purpose: The proposed financing will enable DePaul University (the “University” or the “Borrower”) to issue one or more series of Revenue Bonds to (i) finance new facilities, including without limitation (a) the planning, design, acquisition, construction, furnishing and equipping of a new school of music building, and related infrastructure, landscaping, signage and other similar improvements and (b) the renovating, remodeling and equipping of various educational facilities owned by the University, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto at its Loop and Lincoln Park campuses (collectively, the “Project”), (ii) pay certain working capital expenditures, if deemed desirable by the University and (iii) pay certain costs relating to the issuance of the Bonds (the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | |
|--|---|---------------------|--|--------------|--|-----------|---------------|---------------|---|-----------------|-------------------|---------------------|---|--------------|-----------------------------|--------------|-----------------------------|
| BOARD ACTIONS | <p>Final Bond Resolution (<i>One-time consideration</i>)</p> <p>This is the first time this project has been considered by the IFA Board of Directors</p> | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | <p>None.</p> | | | | | | | | | | | | | | | | |
| JOB DATA | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 15%;">3,737</td> <td style="text-align: center; width: 15%;">Current jobs</td> <td style="text-align: center; width: 15%;">*</td> <td style="width: 55%;">New jobs projected (* new faculty and administrative jobs to be correlated with enrollment and student demand - according to the University)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">300+</td> <td>Construction jobs projected (28 months)</td> </tr> </table> | 3,737 | Current jobs | * | New jobs projected (* new faculty and administrative jobs to be correlated with enrollment and student demand - according to the University) | N/A | Retained jobs | 300+ | Construction jobs projected (28 months) | | | | | | | | |
| 3,737 | Current jobs | * | New jobs projected (* new faculty and administrative jobs to be correlated with enrollment and student demand - according to the University) | | | | | | | | | | | | | | |
| N/A | Retained jobs | 300+ | Construction jobs projected (28 months) | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> • Location: Chicago (Cook County/Northeast Region) • DePaul’s original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent’s College. • The proposed Series 2016 Bonds will enable DePaul to finance a series of new projects including (i) the new School of Music building at the Lincoln Park campus, (ii) rehabilitation and improvements to the John T. Richardson Library at the Lincoln Park campus, and (iii) a series of capital improvement projects at the University’s Loop Campus. | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <p>• DePaul is currently rated “A2”/ “A”/“A” long-term by Moody’s/S&P/Fitch (most recently affirmed as of May 2015, April 2015, and April 2015, respectively). The University has applied for ratings in connection with this issue and on its outstanding debt and expects to be awarded ratings from all three rating agencies during the week of 3/7/2016.</p> | | | | | | | | | | | | | | | | |
| PROPOSED STRUCTURE | <ul style="list-style-type: none"> • The Bonds will be underwritten by Goldman Sachs & Company (Senior Manager) and sold based on the direct, underlying ratings of DePaul University. RBC Capital Markets LLC and Samuel A. Ramirez & Co., Inc. will be Co-Managers. Maximum 30-year maturity featuring a 10-year call option (at Par) controlled by DePaul. • Estimated interest rates range of 4.00% to 4.50% based on market conditions based on anticipated maturities as of 2/25/2016. | | | | | | | | | | | | | | | | |
| SOURCES AND USES (*PRELIMINARY, SUBJECT TO CHANGE) | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Sources:</th> <th colspan="2" style="text-align: left;">Uses:</th> </tr> </thead> <tbody> <tr> <td style="width: 35%;">IFA Bonds</td> <td style="text-align: right; width: 15%;">\$80,000,000</td> <td style="width: 35%;">Project Costs</td> <td style="text-align: right; width: 15%;">\$112,895,000</td> </tr> <tr> <td>Borrower Equity</td> <td style="text-align: right;"><u>32,895,000</u></td> <td>**Costs of Issuance</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$112,895,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$112,895,000</u></td> </tr> </tbody> </table> <p style="text-align: right; font-size: small;">**Costs of Issuance to be paid with borrower funds (equity)</p> | Sources: | | Uses: | | IFA Bonds | \$80,000,000 | Project Costs | \$112,895,000 | Borrower Equity | <u>32,895,000</u> | **Costs of Issuance | - | Total | <u>\$112,895,000</u> | Total | <u>\$112,895,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | |
| IFA Bonds | \$80,000,000 | Project Costs | \$112,895,000 | | | | | | | | | | | | | | |
| Borrower Equity | <u>32,895,000</u> | **Costs of Issuance | - | | | | | | | | | | | | | | |
| Total | <u>\$112,895,000</u> | Total | <u>\$112,895,000</u> | | | | | | | | | | | | | | |
| RECOMMENDATION | <p>Credit Review Committee recommends approval.</p> | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 March 10, 2016**

Project: DePaul University

STATISTICS

| | | | |
|-----------------|-------------------------|------------|------------------------------------|
| Project Number: | 12320 | Amount: | Not to exceed \$85,000,000 |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| Location: | Chicago | County/ | |
| | | Region: | Cook County/Northeast |

BOARD ACTION

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

PURPOSE

Bond proceeds will be issued in one or more series and used to construct and renovate space that will (i) comprise a new music building (i.e., the School of Music) at DePaul University's Lincoln Park campus, (ii) finance Phase 3 and Phase 4 of the John T. Richardson Library Renovations project at DePaul's Lincoln Park campus, (iii) finance the renovation of existing space at DePaul's Daley Building on the Loop Campus, and (iv) additional renovations, including elevator replacement at 25 E. Jackson Blvd. and 14 E. Jackson Blvd. (both Loop Campus) and upgrades to the HVAC system at the DePaul Center at 1 E. Jackson Blvd. Additionally, although not contemplated in the Sources and Uses of Funds tables presented herein, bond proceeds may also be used to pay bond issuance costs if deemed necessary or desirable by the University.

IFA CONTRIBUTION AND PROGRAM

IFA will convey federal tax-exempt status on interest paid to investors on the Bonds, thereby resulting in a lower interest rate that will be passed through to the Borrower.

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|---------------------|-----------------------------|-------|---------------------|-----------------------------|
| Sources: | IFA Refunding Bonds | \$80,000,000 | Uses: | Project Costs | \$112,895,000 |
| | Equity | <u>32,895,000</u> | | **Costs of Issuance | <u>-</u> |
| | Total | <u>\$112,895,000</u> | | Total | <u>\$112,895,000</u> |

**** Note:** The University will contribute its own funds to pay Costs of Issuance on the Series 2016 Bonds. No bond proceeds will be used to pay Costs of Issuance. A final estimate for Costs of Issuance will be provided in the Final Official Statement in connection with the Series 2016 Bonds.

JOBS

| | | | |
|---------------------|-------|---------------------|----------------------|
| Current employment: | 3,737 | Projected new jobs: | *** (see Note below) |
| Jobs retained: | N/A | Construction jobs: | 300+ (28 months) |

*****Note:** The University reports the creation of new faculty, administrative, and staff positions will be dependent on student enrollment and the competitive value of DePaul's academic offerings.

FINANCING SUMMARY

Security/

Ratings: The Bonds will be sold based on the direct, underlying rating of DePaul University. DePaul long-term debt is currently rated "A2"/"A-"/"A" long-term by Moody's/S&P/Fitch. The University's ratings were most recently affirmed in April 2015 by S&P and Fitch and in May 2015 by Moody's.

DePaul has applied for ratings from Moody's/S&P/Fitch on the Series 2016 and expects ratings to be awarded during the week of 3/7/2016.

Structure: The Bonds will be underwritten by Goldman Sachs & Co. (Senior Manager) and sold on the basis of the University's long-term debt ratings.

Interest Rate: Estimated all-in interest rates of between 4.00% and 4.50% based on current market rates and anticipated maturities.

Maturity: The IFA Series 2016 Bonds are expected mature in not more than 30 years. The Bonds may be structured with a 10-year call option (at par) under DePaul's control.

Anticipated

Closing Date: April 2016

Rationale: Tax-Exempt bond financing will reduce interest expense associated with this debt, thereby enabling the University to provide more services and a higher quality of education with the same revenues. The construction and renovation project made possible by the IFA Series 2016 Bonds will allow the University to build upon current academic quality levels and maintain its current competitive standing.

BUSINESS SUMMARY

Background: DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and originally known as St. Vincent's College.

The University is governed by a two-tiered governance committee consisting of (1) *the Members of the Corporation*, a self-perpetuating body comprised of 12 individuals (of which at least two-thirds are representatives of the Congregation of the Mission (C.M.), the religious community that sponsors the University), and (2) *the Board of Trustees*.

The Members of the Corporation is to elect trustees to serve on the University's Board of Trustees.

The Board of Trustees oversees the functions of the University, and elects specific officers, including the president, provost, executive vice president, and secretary. The president appoints other officers. Currently, there are 41 Trustees of the University elected to serve staggered 3-year terms (40 to 45 trustees are required under the University's By-Laws). *A list of the University's current Board of Trustees is presented on page 7 of this report.*

Description: The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution serving metropolitan Chicago. As of fall 2015, the University

remains the largest Catholic university in the nation and among the nation's largest private universities. In fall 2015, the University posted total enrollment of 23,539 students, including 15,961 undergraduate students and 7,578 graduate and professional students.

The University is comprised of four campuses, including two core campuses in Chicago, and satellite campuses in (1) Chicago (near O'Hare) and (2) Naperville.

DePaul's Lincoln Park and Loop Campuses in Chicago form the core of the University's academic and administrative activities. The Lincoln Park campus is a residential campus located on approximately 45 acres approximately 3 miles north of downtown Chicago. The Lincoln Park campus now consists of more than 47 buildings comprising approximately 3.0 million square feet used for academic instruction, residential housing, student services, and recreational purposes. The Loop Campus, located in the Chicago's downtown business district at the corner of S. State St. and E. Jackson Blvd., consists of 3 interconnected and 2 adjacent buildings of over 1.9 million SF and provides facilities for the College of Law, Graduate Programs, and undergraduate programs, and administrative functions.

The University also owns, and The Theatre School operates, the historic Merle Reskin Theatre located on E. Balbo Drive between S. Michigan Ave. and S. Wabash Ave.

In addition to its owned properties, the University leases 162,124 SF of space in the Loop that houses core administrative functions, and 30,801 SF elsewhere in Chicago for academic and operational functions.

DePaul's two satellite campus locations were established and have expanded to satisfy a growing demand for higher education in suburban Chicago. DePaul's two satellite facilities include: (1) The DePaul O'Hare Campus (near Cumberland Ave. [Illinois Hwy. 171] and the Kennedy Expressway [I-90]) in Chicago, Illinois (occupying 38,942 SF of leased space), and (2) its Naperville Campus (located in a portion of the BP Research Center facility adjacent to the Ronald Reagan East-West Tollway [I-88] and occupying 63,802 SF of leased space).

The University offers 132 undergraduate and over 183 graduate and professional graduate degree programs, including six degree programs offered by the College of Law.

Series 2016
Bonds –
School of
Music
Project:

In alignment with the University's strategic planning goals (i.e., Vision 2018) of enhancing academic quality, strengthening educational excellence, and deepening DePaul's connection to Chicago, on October 30, 2015, the University's Board of Trustees authorized Phase 1 of the new School of Music building on the Lincoln Park campus.

In November 2015, the University announced its plan to commence construction of Phase 1 of the new School of Music building. Construction of the new School of Music building (to be located along the west side of N. Halsted St., between Fullerton and Belden avenues), will begin with the demolition of McGaw Hall.

The School of Music building is targeted for completion in spring 2018 and will include:

- The 505-seat William E. and Mary Pat Gannon Hay Concert Hall for public performances;
- A 140-seat recital hall (3-stories tall);
- A small (81-seat) recital hall;
- The 76-seat Philip Corboy and Mary Dempsey Jazz Hall; and
- An underground parking garage.

The total development cost of the School of Music building is estimated at \$101.5 million.

Additional
Projects Under
Development:

In addition to the School of Music building, the University is also considering whether to move forward with Phase 3 and Phase 4 renovations of the John T. Richardson Library located at 2350 N. Kenmore Ave. (Lincoln Park campus). The Library originally opened in 1992. The Phase 3 renovations would renovate approximately 30,000 SF of space on the 2nd floor. The Phase 4 (i.e., final phase) of the Library renovations would rehabilitate approximately 35,000 SF of space located on the 3rd and 4th floors of the Library. Although not currently approved by the University's Board of Trustees, Phase 3 and 4 renovations support DePaul's objectives specified in its Vision 2018 strategic plan. The total cost of these Library renovations is estimated at approximately \$7.8 million.

Finally, a portion of the IFA Series 2016 Bonds will be used for the renovation of existing floors in the Daley Building on the Loop Campus located at 14 E. Jackson Blvd. in order to expand the College of Computing and Digital Media and to refurbish the space for the Masters of Health Program. Additionally, elevators in two DePaul Loop Campus buildings located at 25 E. Jackson Blvd. and 14 E. Jackson Blvd. will be modernized. Improvements will also be made to the HVAC system at the DePaul Center located at 1 E. Jackson Blvd. The total cost of these Loop Campus renovations is estimated at \$3.5 million.

Impact of Music
Building on the
Community:

The new 505-seat William E. and Mary Pat Gannon Hay Concert Hall will be the central public performance theater and will accommodate the School of Music's full range of musical ensembles.

The 140-seat recital hall will be three stories high in order to deliver professional quality acoustics. A smaller recital hall will seat 81 people while the 76-seat Philip Corboy and Mary Dempsey Jazz Hall will provide intimate seating with jazz club ambiance.

According to Ms. Judy Buntra, interim dean of the School of Music, the new building will better serve the entire DePaul student body as well as over 750 children and adults who participate in the Community Music Division.

The new School of Music and the Theatre School's productions will be open to the community and enrich the proud history of arts in the Lincoln Park community.

PROJECT SUMMARY (FROM FINAL BOND RESOLUTION)

The Bonds will be issued in an amount not-to-exceed \$85 million in one or more series for the purpose of providing DePaul University, an Illinois not-for-profit corporation (the "University"), with all or a portion of the funds necessary to (i) finance, refinance or reimburse the University for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, furnishing and equipping of certain new facilities constituting "educational facilities," as defined in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "Act"), including, without limitation, (a) the planning, design, acquisition, construction, furnishing and equipping of a new school of music building, and related infrastructure, landscaping, signage and other similar improvements and (b) the renovating, remodeling and equipping of various educational facilities owned by the University, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto (collectively, the "Project"), (ii) pay certain working capital expenditures if deemed desirable by the University and (iii) pay certain costs relating to the issuance of the Bonds if deemed desirable by the University, all as permitted under the Act.

The Project is or will be owned by the University and is or will be located on land currently owned by the University. Proceeds may be expended with respect to any individual building located on the University's Lincoln Park main campus and the University's Loop Campus. The Lincoln Park Campus includes, but is not limited to, the new music building located at 2330 North Halsted Street, Chicago, Illinois 60614 and the Richardson Library located at 2350 North Kenmore Avenue, Chicago, Illinois 60614. The Loop Campus includes, but is not limited to, the following addresses in Chicago, Illinois: the DePaul Center having the address commonly known as 1 East Jackson Boulevard, Chicago, Illinois 60604, the Richard M. and Maggie C. Daley Building having the address commonly known as 14 East Jackson Boulevard,

Chicago, Illinois 60604 and the Lewis Center having the address commonly known as 25 East Jackson Boulevard, Chicago, Illinois 60604, all within Chicago, Illinois.

As reported in the TEFRA Hearing Notices published in connection with this financing, the University presently anticipates not using more than \$85 million of Bond Proceeds to finance improvements at its Lincoln Park Campus and not more than \$10 million of Bond Proceeds to finance improvements at its Loop Campus. The combined estimated development cost of these projects totals approximately \$112.9 million.

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts: DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; www.depaul.edu
 (1) Jeffrey J. Bethke, Executive Vice President, Ph.: 312.362.6715; jbethke@depaul.edu
 (2) Doug Stanford, Manager of Banking, Liquidity, and Capital Resources, Ph.: 312.362.6714; dstanford@depaul.edu

Project name: DePaul University Series 2016 Revenue Bonds

Locations: DePaul’s Lincoln Park Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 and DePaul’s Loop Campus, 55 East Jackson Blvd., Chicago, IL 60604

Organization: Illinois 501(c)(3) organization
 Board

Membership: *For list of Board of Trustees, see page 7.*

PROFESSIONAL AND FINANCIAL

| | | | |
|-------------------------------|-------------------------------|--------------|-----------------------------------|
| Borrower’s Counsel: | Perkins Coie LLP | Chicago, IL | Daniel Coyne, Christine Biebel |
| Auditor: | KPMG, LLP | Chicago, IL | Jason Rosheisen |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Nancy Burke, Kristin Walsh |
| Borrower’s Financial Advisor: | William Blair & Company, LLC | Chicago, IL | Ajay Thomas, Mike McIntyre |
| Senior Manager: | Goldman Sachs & Co. | New York, NY | Ritu Kalra, John Stevenson |
| Co-Managers: | RBC Capital Markets, LLC | Chicago, IL | Kevin Hoecker |
| | Samuel A. Ramirez & Co., Inc. | Chicago, IL | Phillip Culpepper |
| Underwriter’s Counsel: | Katten Muchin Rosenman LLP | Chicago, IL | Janet Hoffman, Chad Doobay |
| Trustee: | BNY Mellon Corporate Trust | Chicago, IL | Kathy Cokic |
| Architect: | Antunovich Associates | Chicago, IL | Scott Ferguson |
| General Contractor: | Bulley & Andrews | Chicago, IL | Mark Evans |
| Rating Agencies: | Moody’s Investors Service | New York, NY | Diane Viacava |
| | Standard & Poor’s | Chicago, IL | Nick Waugh |
| | Fitch Ratings | Chicago, IL | Susan Carlson |
| IFA Counsel: | Burke Burns & Pinelli, Ltd. | Chicago, IL | Steve Welcome |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Phoebe Selden, Siamac Afshar |

LEGISLATIVE DISTRICTS

| | Loop Campus | Lincoln Park Campus |
|----------------|--------------------|----------------------------|
| Congressional: | 7 | 5 |
| State Senate: | 3 | 6 |
| State House: | 5 | 11 |

DePaul University Board of Trustees

(* Members of the Executive Committee of the Board of Trustees)

| <u>Name</u> | <u>Affiliation</u> |
|--------------------------------------|---|
| Joseph Adams | CEO and Managing Partner, McGladrey & Pullen |
| Rev. Thomas Anslow, C.M. | Canonical Vicar, Archdiocese of Los Angeles |
| Peter C. Argianas* | Chairman, President and CEO, Gold Coast Bank |
| Karen M. Atwood | Executive Vice President, Service and Technology, Health Care Service Corp. |
| Gerald A. Beeson | COO, Citadel Investment Group, LLC |
| William E. Bennett* | |
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| John L. Brennan | Head of Private Wealth Management, William Blair & Co. |
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| Sister Margaret M. Fitzpatrick, D.C. | President, St. Thomas Aquinas College |
| Sasha L. Gerritson | Director of Opera Programs, Northeastern Illinois University |
| Arnold T. Grisham | President and CEO, Peer Review Solutions |
| Harry J. Harczak | Private Investor, Sawdust Investment Management, Retired EVP, CDW |
| William E. Hay | President, William E. Hay & Co. |
| Donald H. Heller* | Dean, College of Education, Michigan State University |
| Roberto Herencia | President and CEO, BXM Holdings, Inc. |
| Lori Holland* | Managing Director, Neuberger Berman |
| Kerrie Holley | VP & CTO, Analytics for Automation Platform, Cisco Systems |
| Rev. Dennis H. Holtschneider, C.M.* | President, DePaul University |
| Stacy Janiak* | Audit and Enterprise Risk Services National Managing Partner – Central Region, Deloitte |
| James M. Jenness | Retired Chairman, Kellogg Company |
| Timothy Knight | CEO, Wrapparts LLC |
| Jeffrey J. Kroll | Partner, Salve, Schostok & Pritchard P.C. |
| William Kusack | Retired Managing Director, JP Morgan Capital Corporation |
| Rev. James Maher, C.M.* | President, Niagara University |
| Carla Michelotti* | Executive VP/General Counsel, Leo Burnett Company, Inc. |
| Anne R. Pramaggiore | President and CEO, ComEd |
| Rev. Mark Pranaitis, C.M. | Assistant Provincial, Congregation of the Mission, Western Province |
| Larry R. Rogers* | Partner, Powers Rogers & Smith, P.C. |
| George Ruff | Senior Principal, Trinity Hotel Investors, LLC |
| James Ryan* | President, CEO and Chairman of the Board, W.W. Grainger, Inc. |
| Kristi Savacool | CEO, Aon Hewitt |
| Bertram L. Scott* | Retired Senior Vice President of Population Health, Novant Health |
| Daniel C. Ustian | Retired Chairman and CEO, Navistar |
| Rev. Raymond Van Dorpe, C.M. | Provincial, Western Province of the Congregation of the Mission |
| Dia S. Weil | Retired CFO and COO, Verizon Airfone |

March 10, 2016

\$135,000,000

Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)

| | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|-----------------------------|-----------------------------|--------------------|---|--------------------|--------------|-----------------------------|---------------|-----------------------|-------------|--------------|-------------|--------------------|---------------------|--------------------|--------------------|--------------|-----------------------------|--------------|-----------------------------|
| REQUEST | <p>Purpose: Bond proceeds, together with other available funds, will be used by Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group) (“Borrowers”) to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | <p>Final Bond Resolution Voting Record (February 11, 2016) – Preliminary Bond Resolution – 12 Yeas; 0 Nays; 0 Abstain; 3 Absent (O’Brien; Tessler; Yonover); 0 Vacancies.</p> | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | <p>None.</p> | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Current jobs</td> <td style="text-align: center;">795</td> <td style="text-align: right;">New jobs projected</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: right;">Retained jobs</td> <td style="text-align: center;">N/A</td> <td style="text-align: right;">Construction jobs projected</td> <td style="text-align: center;">50</td> </tr> </table> | Current jobs | 795 | New jobs projected | 0 | Retained jobs | N/A | Construction jobs projected | 50 | | | | | | | | | | | | |
| Current jobs | 795 | New jobs projected | 0 | | | | | | | | | | | | | | | | | | |
| Retained jobs | N/A | Construction jobs projected | 50 | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> • Locations: Evanston, Lake Forest • On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the “Corporation”) became the sole member directly or indirectly of six subsidiaries, two of which are the Borrowers, (collectively with the Corporation, the "System"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area. • Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day. | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> • The Bonds will be comprised of two series of bonds: 2016A Fixed Rate Bonds sold through a public offering, and 2016B Floating Rate Notes sold through a public offering. The Borrower has applied for a rating from Standard & Poor’s (“S&P”) for the 2016 Floating Rate Notes and to Fitch Ratings for ratings on both series. Ratings are expected to be awarded at the time of printing the Preliminary Official Statement. The bonds will carry an investment grade rating. | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> • Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings. | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> • Bonds will mature no later than 2040. | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table border="0" style="width: 100%;"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>Series 2016A Bonds</td> <td style="text-align: right;">\$66,675,000</td> <td>Refunding</td> <td style="text-align: right;">\$104,415,000</td> </tr> <tr> <td>Series 2016 A Premium</td> <td style="text-align: right;">\$8,915,058</td> <td>Project Fund</td> <td style="text-align: right;">\$9,325,000</td> </tr> <tr> <td>Series 2016B Bonds</td> <td style="text-align: right;"><u>\$40,000,000</u></td> <td>Costs of Issuance*</td> <td style="text-align: right;"><u>\$1,850,058</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$115,590,058</u></td> <td>Total</td> <td style="text-align: right;"><u>\$115,590,058</u></td> </tr> </table> <p style="text-align: right;">*Estimated</p> | Sources: | | Uses: | | Series 2016A Bonds | \$66,675,000 | Refunding | \$104,415,000 | Series 2016 A Premium | \$8,915,058 | Project Fund | \$9,325,000 | Series 2016B Bonds | <u>\$40,000,000</u> | Costs of Issuance* | <u>\$1,850,058</u> | Total | <u>\$115,590,058</u> | Total | <u>\$115,590,058</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | |
| Series 2016A Bonds | \$66,675,000 | Refunding | \$104,415,000 | | | | | | | | | | | | | | | | | | |
| Series 2016 A Premium | \$8,915,058 | Project Fund | \$9,325,000 | | | | | | | | | | | | | | | | | | |
| Series 2016B Bonds | <u>\$40,000,000</u> | Costs of Issuance* | <u>\$1,850,058</u> | | | | | | | | | | | | | | | | | | |
| Total | <u>\$115,590,058</u> | Total | <u>\$115,590,058</u> | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | <p>Credit Review Committee recommends approval</p> | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2016**

Project: Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)

STATISTICS

| | | | |
|-----------------|-------------------------|----------------|--|
| Project Number: | 12324 | Amount: | \$135,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Pam Lenane and Tammy Harter |
| Locations: | Evanston, Lake Forest | County/Region: | Cook County/Northeast, Lake County/Northeast |

BOARD ACTION

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

PURPOSE

The proceeds will be used by the Borrowers together with other available funds to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

| Sources: | | Uses: | |
|-----------------------|-----------------------------|--------------------|-----------------------------|
| Series 2016A Bonds | \$66,675,000 | Refunding | \$104,415,000 |
| Series 2016 A Premium | \$8,915,058 | Project Fund | \$9,325,000 |
| Series 2016B Bonds | <u>\$40,000,000</u> | Costs of Issuance* | <u>\$1,850,058</u> |
| Total | <u>\$115,590,058</u> | Total | <u>\$115,590,058</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|----|
| Current employment: | 795 | Projected new jobs: | 0 |
| Jobs retained: | N/A | Construction jobs: | 50 |

FINANCING SUMMARY

| | |
|-------------------------|--|
| Credit Enhancement: | None |
| Structure: | Fixed rate serial and term bonds and a Floating Rate note, both tax exempt and sold through a public offering by Ziegler based on underlying rating of the Borrower. |
| Interest Rate: | To be determined on the day of pricing. |
| Interest Rate Modes: | Fixed through final maturities for Series 2016A Bonds, and a Floating Rate plus a credit spread for Series 2016B Bonds. |
| Underlying Ratings: | The Borrower has applied for a rating from Standard & Poor's ("S&P") for the 2016 Floating Rate Notes and to Fitch Ratings for ratings on both Series. Ratings are expected to be awarded at the time of printing the Preliminary Official Statement. The Bonds will carry an investment grade rating. |
| Maturity: | No later than 2040 |
| Estimated Closing Date: | Second calendar quarter of 2016. (Note: There is no assurance that any or all of the Prior Bonds will be refunded, or if they are refunded, when such refunding will occur.) |

PROJECT SUMMARY

The proceeds will be used by Presbyterian Homes Obligated Group, together with over available funds to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.

BUSINESS SUMMARY

Background: On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the "Corporation") became the sole member directly or indirectly of six subsidiaries, two of which are the Borrowers (collectively with the Corporation, the "System"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area. Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day.

The Obligated Group locations are listed below.

Main Evanston Campus

- Westminster Place offers 254 units of independent living in large and small townhouses, cottages, or apartments featuring full kitchens and for some units, private patios. It also offers numerous amenities, including activities, parking spaces and garages, private buses to local shopping, walking paths throughout the grounds, flexible meal plans as a dining option, and on-site medical services.
- The Highlands at Westminster Place is an apartment facility designed for older independent adults who require limited daily living assistance. The facility is composed of 91 efficiencies and one- or two-bedroom apartments. The Highlands offers a combination of independent living and sheltered care units. Meals are served in central dining rooms and medical services are provided.
- McGaw Care Center and Foster Pavilion include a 100-bed skilled nursing care, Medicare-approved facility, and a 95-bed unit for older adults with Alzheimer's disease or other cognitive impairments. A number of beds are always kept open and available for the potential needs of the Westminster's own residents. Beds in excess of these requirements are made available to non-residents.
- Kimble Fitness and Therapeutic Center: This facility opened in 1995 and is available to all residents on the main campus in Evanston, as well as the residents at King Home and Ten Twenty Grove. Approximately 50 to 55 residents use this facility on an average day. The Center offers numerous amenities including a large pool

and small therapy pool, a Jacuzzi, an exercise room with fitness equipment, water therapy classes, and other activities. The building also has meeting and entertainment facilities.

Lake Forest Place

Lake Forest Place is a CCRC located in Lake Forest, Illinois, approximately 30 miles north of Chicago on a 58-acre site immediately adjacent to Lake Forest Hospital. Lake Forest Place includes 268 independent living units (including both cottages and apartments), 31 assisted living units and 50 Medicare licensed skilled nursing beds and 20 licensed intermediate care beds for older adults with Alzheimer's disease or other cognitive impairments. Amenities include a town center, on-site medical care, a fitness center, security, walking trails and underground parking.

King Home

The King Home is located in downtown Evanston. This six-story 53-unit apartment facility is designed for men and women 65 years and older. It consists of one-bedroom suites with a private bath and emergency alarm systems. The facility also contains activity and fitness areas. Meals are served in the central dining room. Complete medical care and 24-hour nursing services are provided.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Westminster Place and Lake Forest Place, LLC
Site Address: 3200 Grant Street, Evanston, IL 60201 (Westminster Place)
1100 Pembridge Dr, Lake Forest, IL 60045 (Lake Forest Place)
Contact: Todd Swortzel, President & CEO
Website: www.presbyterianhomes.org
Project name: Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois

Ownership/2015 Board Members (501(c)(3)):

| <u>Name</u> | <u>Position</u> | <u>Year Joined</u> | <u>Profession</u> |
|-------------------------------|-----------------|--------------------|--|
| Leland E. Hutchinson (Lee) | Board Chair | 1999 | Retired Attorney ; Partner, Winston & Strawn |
| J. Marshall Peck (Marshall) | Board Treasurer | 2008 | Real Estate Development; CEO, Interpark |
| Neele E. Steams, Jr. | Board Secretary | 2004 | Real Estate Finance; Partner, LaSalle Investment Management |
| Rev. Sarah Sarchet Butter | Member | 2007 | Pastor; Head of Staff, Wilmette Presbyterian Church |
| Charles Denison (Charlie) | Member | 2014 | Managing Director for Investment Banking |
| George T. Drost | Member | 2011 | Attorney; Partner, Drost Kivlahan McMahon & O'Connor LLC |
| Monica Heenan | Member | 2015 | SVP & Chief Ambulatory Officer, Lurie Children's Hospital in Chicago |
| Gregory W. Hummel (Greg) | Member | 2008 | Attorney; Partner, Bryan Cave LLP |
| Dennis R. Marx | Member | 2014 | Tax and Investment Strategist |
| Dr. E. Dennis Murphy (Dennis) | Member | 2010 | Retired Physician |
| Elizabeth Nichols (Betsy) | Member | 2014 | Chief Data Scientist |
| Paula Noble | Member | 2015 | CFO and Treasurer, Lurie Children's Hospital of Chicago |
| Harlan F. Stanley | Member | 2010 | Real Estate Finance; Partner, LaSalle Investment Management |
| Mark F. Toledo | Member | 2009 | Investment Manager at Chicago Partners |
| Jane Western | Member | 2014 | Risk Management |

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|------------------------------|---------------|-----------------|
| Borrower's Counsel: | Dentons US LLP | Mary Wilson | Chicago, IL |
| Auditor: | CliftonLarsonAllen LLP | Jim Thomas | Oak Brook, IL |
| Underwriter: | Ziegler | Steve Johnson | Chicago, IL |
| Bond Counsel: | Chapman and Cutler LLP | John F. Bibby | Chicago, IL |
| Underwriter's Counsel: | Gilmore & Bell, P.C. | Rick Wright | Kansas City, MO |
| Bond Trustee: | TBD | | |
| Issuer's Counsel: | Burke Burns & Pinelli, Ltd. | Steve Welcome | Chicago, IL |
| Issuer's Advisor: | Acacia Financial Group, Inc. | Phoebe Selden | Chicago, IL |

LEGISLATIVE DISTRICTS

| | |
|----------------|--------|
| Congressional: | 9, 10 |
| State Senate: | 9, 29 |
| State House: | 17, 58 |

SERVICE AREA

Evanston, Illinois and Lake Forest, Illinois:

March 10, 2016

\$53,000,000
Iowa Health System d/b/a UnityPoint Health

| | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|---|--------------------|-----------------------------|--------------|--------------------|-----------|---------------------|-----------|-----------------------------|--|--|--------------|--------------|--|--|--------------------|--------------------|--------------|----------------------------|--------------|----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”) to (i) refund the Proctor Hospital 2006A Bonds, (ii) \$17,000,000 for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. located at 221 NE Glen Oak Ave, Peoria, IL, to purchase, renovate, relocate, construct, equip and furnish approximately 81,000 square-feet of building space, which will include classrooms, laboratories, faculty offices, and support space for the College of Nursing, along with an additional 45,000 square-feet for warehouse space, all located at 5801 West War Memorial Drive, Peoria, IL., (iii) \$11,500,000 for the exterior renovation of the Glen Oak and East-West buildings, located at 221 NE Glen Oak Ave, Peoria, IL, and (iv) pay costs of issuance.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | Preliminary Bond Resolution | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None – this is the first time this financing has been presented to the IFA Board of Directors | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0"> <tr> <td>28,000</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>365</td> <td>Construction jobs projected</td> </tr> </table> | 28,000 | Current jobs | 0 | New jobs projected | N/A | Retained jobs | 365 | Construction jobs projected | | | | | | | | | | | | |
| 28,000 | Current jobs | 0 | New jobs projected | | | | | | | | | | | | | | | | | | |
| N/A | Retained jobs | 365 | Construction jobs projected | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> • Location: Peoria • Initially formed in 1994, UnityPoint Health, an Iowa nonprofit corporation, controls, directly or indirectly, a regional health care delivery system that includes, as of June 30, 2015, twelve Hospitals (including Blank Children’s Hospital) in ten Iowa cities, four hospitals in three Illinois cities, one hospital in Madison, Wisconsin, and approximately 860 employed physician full time equivalents and 420 mid-level provider full time equivalents practicing in 96 communities. | | | | | | | | | | | | | | | | | | | | |
| STRUCTURE/CREDIT INDICATORS | <ul style="list-style-type: none"> • Tax-Exempt fixed rate bonds underwritten by Morgan Stanley. • Current underlying ratings of Moody’s (Aa3), Fitch (AA-) | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> • Secured by pledge of gross receivables | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> • Bonds will mature no later than 2046 | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$51,590,000</u></td> <td>Refunding</td> <td>\$21,990,000</td> </tr> <tr> <td></td> <td></td> <td>Project Fund</td> <td>\$28,500,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance*</td> <td><u>\$1,100,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$51,590,000</u></td> <td>Total</td> <td><u>\$51,590,000</u></td> </tr> </table> <p style="text-align: right;">*Estimated</p> | Sources: | | Uses: | | IFA Bonds | <u>\$51,590,000</u> | Refunding | \$21,990,000 | | | Project Fund | \$28,500,000 | | | Costs of Issuance* | <u>\$1,100,000</u> | Total | <u>\$51,590,000</u> | Total | <u>\$51,590,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | |
| IFA Bonds | <u>\$51,590,000</u> | Refunding | \$21,990,000 | | | | | | | | | | | | | | | | | | |
| | | Project Fund | \$28,500,000 | | | | | | | | | | | | | | | | | | |
| | | Costs of Issuance* | <u>\$1,100,000</u> | | | | | | | | | | | | | | | | | | |
| Total | <u>\$51,590,000</u> | Total | <u>\$51,590,000</u> | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 March 10, 2016**

Project: Iowa Health System d/b/a UnityPoint Health

STATISTICS

| | | |
|-------------------------------|----------------|------------------------------|
| Project Number: 12333 | Amount: | \$53,000,000 (not-to-exceed) |
| Type: 501(c)(3) Revenue Bonds | IFA Staff: | Pam Lenane and Tammy Harter |
| Location: Peoria | County/Region: | Peoria/Southeast |

BOARD ACTION

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

PURPOSE

Bond proceeds will be used by Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”) to (i) refund the Proctor Hospital 2006A Bonds, (ii) \$17,000,000 for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. located at 221 NE Glen Oak Ave, Peoria, IL, to purchase, renovate, relocate, construct, equip and furnish approximately 81,000 square-feet of building space, which will include classrooms, laboratories, faculty offices, and support space for the College of Nursing, along with an additional 45,000 square-feet for warehouse space, all located at 5801 West War Memorial Drive, Peoria, IL., (iii) \$11,500,000 for the exterior renovation of the Glen Oak and East-West buildings, located at 221 NE Glen Oak Ave, Peoria, IL, and (iv) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

| | | | |
|-----------------|----------------------------|--------------------|----------------------------|
| Sources: | | Uses: | |
| IFA Bonds | <u>\$51,590,000</u> | Refunding | \$21,990,000 |
| | | Project Fund | \$28,500,000 |
| | | Costs of Issuance* | <u>\$1,100,000</u> |
| Total | <u>\$51,590,000</u> | Total | <u>\$51,590,000</u> |

*Estimated – Preliminary,
 subject to change

JOBS

| | |
|----------------------------|------------------------|
| Current employment: 28,000 | Projected new jobs: 0 |
| Jobs retained: N/A | Construction jobs: 365 |

FINANCING SUMMARY

| | |
|-------------------------|--|
| Credit Enhancement: | None |
| Structure: | Fixed Rate Bonds to be underwritten by Morgan Stanley. |
| Interest Rate: | To be determined at time of pricing. |
| Interest Rate Modes: | Fixed |
| Underlying Ratings: | Moody's (Aa3), Fitch (AA-) |
| Maturity: | 2046 |
| Estimated Closing Date: | 5/16/16 |

PROJECT SUMMARY

The proceeds will be used by UnityPoint Health to refund the Proctor Hospital 2006A Bonds, New Money and costs of issuance.

- Refund Proctor 2006A Bonds: 5409 N Knoxville Avenue, Peoria, IL 61614
- New Money (\$17,000,000), College of Nursing: 5801 West War Memorial Drive, Peoria, IL 61615
 - This project is for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. (users of the project and Affiliates), located at 221 NE Glen Oak Ave, Peoria, IL and will consist of the purchase, renovation, relocate, construction, equipping and furnishing of approximately 81,000 square-feet of building space which will include classrooms, laboratories, faculty offices, and support space along with an additional 45,000 square-feet for warehouse space located at 5801 West War Memorial Drive, Peoria, IL.
- New Money (\$11,500,000), Façade Renovation: 221 NE Glen Oak Avenue, Peoria, IL 61636
 - This project is for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. (users of the project and Affiliates), located at 221 NE Glen Oak Ave, Peoria, IL and will consist of the exterior renovation of the Glen Oak and East-West buildings on campus.

BUSINESS SUMMARY

Background:

Initially formed in 1994, Iowa Health System (“IHS”), an Iowa nonprofit corporation, controls, directly or indirectly, a regional health care delivery system that includes, as of June 30, 2015, twelve hospitals (including Blank Children’s Hospital) in ten Iowa cities, four hospitals in three Illinois cities, one hospital in Madison, Wisconsin, and approximately 860 employed physician full time equivalents and 420 mid-level provider full time equivalents practicing in 96 communities (collectively, the “System”).

On April 16, 2013, the System began being publicly known as UnityPoint Health. This name change reflects the transformation of clinical processes underway within the System and the adaptation to better address the health care needs of communities, including building a model of delivering health care that coordinates care around the patient while focusing on improving the quality of care and reducing costs. In light of this transformation in health care, IHS changed its name to better reflect its brand promise. UnityPoint Health, a federally registered trademark, is a doing business as designation of IHS and is intended to be its predominant name.

The System entities employ around 28,000 employees System-wide, including being the largest nonprofit workforce in the combined State of Iowa and Western Illinois area, and work toward innovative advancements to achieve the vision of delivering the Best Outcome for Every Patient Every Time. The System also provides a multitude of community benefit programs and services to improve the health of people in its communities.

The primary operations of the System are conducted through an array of nonprofit and for-profit subsidiaries controlled, directly or indirectly, by UnityPoint Health. The affiliates include Central Iowa Health System d/b/a UnityPoint Health – Des Moines, Methodist Health Services Corporation, Meriter Health Services, Inc., Trinity Regional Health System, St. Luke’s Healthcare, Allen Health Systems, Inc., St. Luke’s Health System, Inc., Trinity

Health Systems, Inc., Finley Tri-States Health Group, Inc., Iowa Physicians Clinic Medical Foundation d/b/a UnityPoint Clinic, and UnityPoint at Home (formerly known as InTrust and formerly d/b/a Iowa Health Home Care).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Iowa Health System d/b/a UnityPoint Health
Address: 221 NE Glen Oak Avenue, Peoria, IL 61636
Contact: Matthew Kirschner, 515-241-8272
Website: www.unitypoint.org

Project name: Refunding of 2006A bonds and new money projects

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

State: Iowa, Illinois, Wisconsin

Board of Directors:

| | |
|--|---|
| Chair: Mike Williams | Secretary: Linda Newborn |
| Chair Elect/Vice Chair: Mike Stone | Treasurer: Rick McConnell |
| Angela Aldrich, M.D. <i>Sioux City</i> | Ron Klosterman <i>Dubuque (At-Large)</i> |
| Dave Boyer <i>Madison</i> | Rick McConnell <i>Des Moines</i> |
| Terri Christoffersen <i>Cedar Rapids</i> | Pete McLaughlin <i>Quad Cities</i> |
| Brenda Clancy <i>Cedar Rapids (At-Large)</i> | Linda Newborn <i>Quad Cities</i> |
| Stanton Danielson, M.D. <i>Des Moines (UP Clinic)</i> | Kurt Pittner <i>Fort Dodge</i> |
| Randy Easton <i>Cedar Rapids</i> | Cate Ranheim, M.D. <i>Madison (At-Large)</i> |
| Sarah Hasken <i>Dubuque</i> | Bruce Sherman <i>Des Moines</i> |
| Kent Henning <i>Des Moines</i> | Mike Stone <i>Peoria</i> |
| Steve Herwig, D.O. <i>Des Moines</i> | Devendra Trivedi, M.D. <i>Peoria</i> |
| George Kamperschroer <i>Madison</i> | Mike Williams <i>Waterloo</i> |
| Francis Kane, M.D. <i>Quad Cities (At-Large)</i> | |

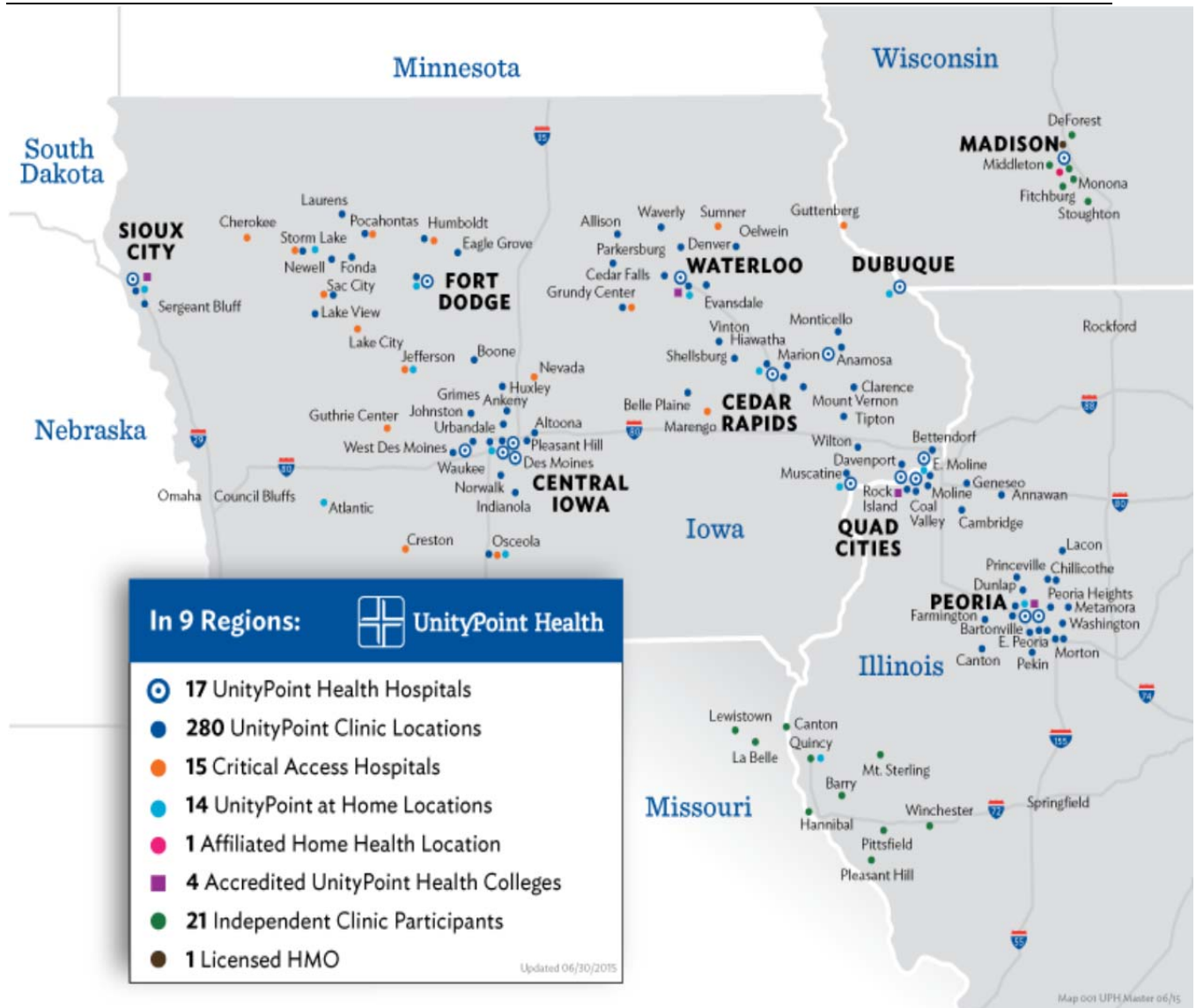
PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|------------------------------------|----------------|---------------------|
| Borrower's Counsel: | Norton Rose Fulbright US, LLP | Dallas, TX | Scott Kortmeyer |
| Auditor: | BKD, LLP | Chicago, IL | Eric Lopata |
| Underwriter: | Morgan Stanley | New York, NY | David Gallin |
| Bond Counsel: | Dorsey & Whitney LLP | Des Moines, IA | David Claypool |
| Underwriter's Counsel: | Orrick, Herrington & Sutcliffe LLP | Sacramento, CA | John Myers |
| Bond Trustee: | US Bank, National Association | St. Paul, MN | Christine Robinette |
| Issuer's Counsel: | Chapman and Cutler LLP | Chicago, IL | Rich Tomei |
| Issuer's Advisor: | Sycamore Advisors, LLC | Chicago, IL | Melanie Shaker |

LEGISLATIVE DISTRICTS

| | |
|----------------|--------|
| Congressional: | 17, 18 |
| State Senate: | 37, 46 |
| State House: | 73, 92 |

SERVICE AREA



\$15,000,000 (not-to-exceed amount)

Community Unit School District No. 3, Saline County (Harrisburg)

March 10, 2016

| | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------|--|--------------|--------------------|-------------------|---------------------|---------------|--|--|--|----------------|--------|--|--|-------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| <p>REQUEST</p> | <p>Purpose: Proceeds of the Series 2016 Bonds will be used to purchase taxable Local Government Securities issued by Community Unit School District Number 3, Saline County, Illinois (the “District”) to: (a) demolish, reconstruct, renovate, alter, repair and equip a portion of the Harrisburg High School Buildings and renovate, alter, repair and equip other portions of such buildings, and improve the sites thereof and (b) pay costs associated with the issuance of the Series 2016 Bonds (collectively, the “Financing Purposes”).</p> <p>Program Product Type: Local Government Revenue Bonds</p> <p>IFA/State Funds at Risk: None</p> | | | | | | | | | | | | | | | | | | | | |
| <p>BOARD ACTIONS</p> | <p>Final Bond Resolution Voting Record (July 9, 2015) – Final Bond Resolution – 11 Yeas; 0 Nays; 0 Abstain; 2 Absent (Pedersen, Tessler); 2 Vacancies.</p> | | | | | | | | | | | | | | | | | | | | |
| <p>MATERIAL CHANGES</p> | <p>Co-Managers Edward D. Jones & Co., L.P. and BMO Capital Markets GKST Inc. have been replaced with RBC Capital Markets LLC (as the sole Co-Manager). Furthermore, the plan of finance now contemplates that IFA will solely issue Alternate Revenue Bonds while the District itself will undertake a general obligation, bank-qualified debt issuance to construct fire prevention and life safety improvements to existing school buildings throughout the District and realize savings by refunding the District’s outstanding Series 2005 Bonds. Accordingly, Sources & Uses as well as projected construction jobs proportional to the IFA issuance have been updated. Finally, the District’s 6/30/2015 audit has been released and the Confidential Section of this report has been updated to reflect updated financial and tax collection information.</p> | | | | | | | | | | | | | | | | | | | | |
| <p>JOB DATA</p> | <table border="0"> <tr> <td>270 FTE</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>31</td> <td>Construction jobs (3-year construction period)</td> </tr> </table> | 270 FTE | Current jobs | N/A | New jobs projected | N/A | Retained jobs | 31 | Construction jobs (3-year construction period) | | | | | | | | | | | | |
| 270 FTE | Current jobs | N/A | New jobs projected | | | | | | | | | | | | | | | | | | |
| N/A | Retained jobs | 31 | Construction jobs (3-year construction period) | | | | | | | | | | | | | | | | | | |
| <p>BORROWER DESCRIPTION</p> | <ul style="list-style-type: none"> • Type of Entity: Illinois Public School District providing education for students in grades pre-K through 12 • Location: Harrisburg, Illinois (and nearby areas primarily in Saline County) • Project Impact: The project will enable Community Unit School District Number 3 (Harrisburg) to modernize and update one of the three wings that comprise the main Harrisburg High School facility. The wing will be demolished in its entirety and replaced by construction of a new wing that is expected to commence in Summer 2016. The replacement wing will include a new cafeteria and gymnasium. A portion of the Project Costs will also finance replacement fixtures and equipment as well. • The District’s voters approved a referendum to issue up to \$15.0 million of General Obligation Bonds to modernize and update Harrisburg High School in April 2015. In March 2012, District voters approved a referendum imposing a 1% Facility Sales Tax specifically for school capital projects. | | | | | | | | | | | | | | | | | | | | |
| <p>STRUCTURE</p> | <ul style="list-style-type: none"> • Underwriters: Senior Manager: D.A. Davidson & Company; Co-Manager: RBC Capital Markets LLC • The Bonds will be sold on the basis of an assigned rating by Standard & Poor’s Ratings Group (“S&P”). S&P is expected to assign the Bonds a rating of “AA”/Stable based on a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. (“AGM”) at the time of delivery of the Bonds, as well as the District’s underlying rating. • Underlying Rating: Community Unit School District Number 3 (Harrisburg) is rated “A-”/Stable by S&P, affirmed as of September 22, 2015. • Series 2016 Bonds will be payable from the District’s Facility Sales Taxes (i.e., Alternate Revenue Source) and will be further secured by an unlimited pledge of property tax revenues. • Maturity: Series 2016 Bonds will be a mix of serial maturities and term bonds, ranging from December 1, 2016 through December 1, 2045. • Interest Rate: Fixed Rates on Serial Bonds to be determined at pricing. | | | | | | | | | | | | | | | | | | | | |
| <p>SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)</p> | <table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>Series 2016 Bonds</td> <td style="text-align: right;"><u>\$15,000,000</u></td> <td>Project Costs</td> <td style="text-align: right;">\$14,690,000</td> </tr> <tr> <td></td> <td></td> <td>Bond Insurance</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>250,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$15,000,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$15,000,000</u></td> </tr> </table> | Sources: | | Uses: | | Series 2016 Bonds | <u>\$15,000,000</u> | Project Costs | \$14,690,000 | | | Bond Insurance | 60,000 | | | Costs of Issuance | <u>250,000</u> | Total | <u>\$15,000,000</u> | Total | <u>\$15,000,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | |
| Series 2016 Bonds | <u>\$15,000,000</u> | Project Costs | \$14,690,000 | | | | | | | | | | | | | | | | | | |
| | | Bond Insurance | 60,000 | | | | | | | | | | | | | | | | | | |
| | | Costs of Issuance | <u>250,000</u> | | | | | | | | | | | | | | | | | | |
| Total | <u>\$15,000,000</u> | Total | <u>\$15,000,000</u> | | | | | | | | | | | | | | | | | | |
| <p>RECOMMENDATION</p> | <p>Credit Review Committee recommends approval.</p> | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 March 10, 2016**

Project: Community Unit School District No. 3, Saline County (Harrisburg)

STATISTICS

| | |
|--------------------------------------|--|
| Project Number: L-LG-TE-CD-8755 | Amount: \$15,000,000 (<i>not-to-exceed amount</i>) |
| Type: Local Government Revenue Bonds | IFA Staff: Rich Frampton & Brad R. Fletcher |
| Location: Harrisburg | Counties/Regions: Saline County/Southern Region |

BOARD ACTION

| | |
|---|-----------------------------|
| Final Bond Resolution | No IFA Funds at risk |
| Conduit Local Government Revenue Bonds | No extraordinary conditions |
| Credit Review Committee recommends approval | |

VOTING RECORD

Voting Record (July 9, 2015) – Final Bond Resolution – 11 Yeas; 0 Nays; 0 Abstain; 2 Absent (Pedersen, Tessler); 2 Vacancies.

PURPOSE

Proceeds of the Series 2016 Bonds will be used to purchase taxable Local Government Securities issued by Community Unit School District Number 3, Saline County, Illinois (the “**District**”) to: (a) demolish, reconstruct, renovate, alter, repair and equip a portion of the Harrisburg High School Buildings and renovate, alter, repair and equip other portions of such buildings, and improve the sites thereof and (b) pay costs associated with the issuance of the Series 2016 Bonds (collectively, the “**Financing Purposes**”).

VOLUME CAP

No Volume Cap is required for Local Government Bond financing.

JOBS

| | |
|-----------------------------|--|
| Current employment: 270 FTE | Projected new jobs: N/A |
| Jobs retained: N/A | Construction jobs: 31 (3-year construction period) |

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

| Sources: | | Uses: | |
|-------------------|----------------------------|-------------------|----------------------------|
| Series 2016 Bonds | <u>\$15,000,000</u> | Project Costs | \$14,690,000 |
| | | Bond Insurance | 60,000 |
| | | Costs of Issuance | <u>250,000</u> |
| Total | <u>\$15,000,000</u> | Total | <u>\$15,000,000</u> |

FINANCING SUMMARY

Structure: The plan of finance contemplates the IFA Series 2016 Bonds to be underwritten by D.A. Davidson & Co. as Senior Manager and RBC Capital Markets LLC as Co-Manager and publicly offered as fixed rate bonds.

Bonds

Rating: The Bonds will be sold on the basis of an assigned rating by Standard & Poor's Ratings Group ("S&P"). S&P is expected to assign the Bonds a rating of "AA"/Stable based on a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. ("AGM") at the time of delivery of the Bonds, as well as the District's underlying rating.

Bond Insurance

Rating: AGM is rated "AA"/Stable by Standard & Poor's Ratings Group and "A2"/Stable by Moody's.

Underlying

Rating: S&P has assigned the District a long-term rating of "A-"/Stable, affirmed as of September 22, 2015.

Maturity: Series 2016 Bonds will be issued as a mix of (i) serial maturities due annually each December 1, beginning December 1, 2016 and continuing through December 1, 2026, and (ii) terms bonds due December 1, 2031, December 1, 2036 and December 1, 2045 (the final maturity date).

Repayment

Schedule: Interest on the Bonds (computed on a basis of a 360-day year of twelve 30-day months) will be payable each June 1 and December 1, commencing June 1, 2016 and extending through the final maturity date (December 1, 2045).

Security: Concurrently with the issuance of the Bonds, AGM will issue its municipal bond insurance policy for the Bonds. The insurance policy guarantees the scheduled payment of principal and interest on the Bonds.

The Series 2016 Bonds will be payable from collections distributed to the District from those taxes imposed by the County of Saline, Illinois (the "**County**"), pursuant to the County School Facility Occupation Tax Law of the State of Illinois, as amended (the "**Pledged Revenues**").

The Illinois Department of Revenue is responsible for administering the County School Facility Occupation Tax. Pursuant to State law, the corporate authorities of a county, except Cook County, may impose the County School Facility Occupation Tax – or "*Facility Sales Tax*" – if a majority of voters approve by referendum to increase their county sales tax rate up to 1 percent to raise money specifically for school capital projects. The law creating Facility Sales Tax first became effective in October 2007.

For the purpose of providing funds required to pay debt service on the Series 2016 Bonds, the District is pledging its Facility Sales Taxes as Pledged Revenues. These Pledged Revenues must be sufficient to not only pay debt service on the Series 2016 Bonds, but also be sufficient to provide for an additional 0.25 times debt service coverage each year pursuant to State law (i.e., the Local Government Debt Reform Act of the State of Illinois, as amended, requires that Pledged Revenues securing Alternate Revenue Source bonds provide in each year an amount not less than 1.25 times debt service coverage on all outstanding bonds secured by those respective Pledged Revenues).

For a more comprehensive summary of the legal requirements for issuing "Alternate Bonds", please see "Supplemental Information Relating to the Proposed Issuance of 'Alternate Bonds' by Community Unit School District No. 3 (Harrisburg)" on page 10 of this report.

Additionally, the Series 2016 Bonds will be payable from *ad valorem* (i.e., according to value) real estate taxes levied against all of the taxable property in the District without limitation as to rate or

amount (the “**Pledged Taxes**,” and together with the Pledged Revenues, the “**Pledged Moneys**”). Should the amount of the Facility Sales Taxes received by the District be insufficient to pay the principal and interest due on the Series 2016 Bonds in any year, the District will extend Pledged Taxes for the purpose of making such payment on the Series 2016 Bonds.

Legal Authority: **Pledged Revenues**

On March 20, 2012, a majority of the voters of Saline County at the general primary election approved imposing a 1% Facility Sales Tax to raise money specifically for school capital projects (i.e., Pledged Revenues). Accordingly, the Illinois Department of Revenue began to administer and enforce the Facility Sales Tax on July 1, 2012. School districts in the County began receiving Facility Sales Tax receipts beginning in October 2012.

Voters of the District authorized the issuance of bonds in an aggregate principal amount of up to \$15,000,000 at the consolidated election held on April 7, 2015, with 1,500 voting “yes” (57.47%) and 1,110 voting “no” (42.53%).

Pledged Taxes

The District will adopt a bond resolution which provides for the levy of Pledged Taxes in amounts sufficient to pay the interest and principal of the Series 2016 Bonds as needed (currently expected on March 15, 2016). The bonds will constitute valid and legally binding obligations of the District, and all taxable property in the District is subject to the levy of Pledged Taxes for such payment of principal and interest.

The District’s bond resolution will be filed with the County Clerk of Saline County and will serve as authorization to the County Clerk to extend and collect real estate taxes (i.e., Pledged Taxes) as set forth in the District’s bond resolution.

Estimated
Closing Date: March 2016

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Proceeds of the Series 2016 Bonds will be used to purchase Local Government Securities issued by Community Unit School District Number 3, Saline County, Illinois (the “**District**”) to: (a) demolish, reconstruct, renovate, alter, repair and equip a portion of the Harrisburg High School Buildings and renovate, alter, repair and equip other portions of such buildings, and improve the sites thereof and (b) pay costs associated with the issuance of the Series 2016 Bonds (collectively, the “**Financing Purposes**”).

Estimated Project costs financed with the Illinois Finance Authority’s Alternate Revenue Bonds include the following:

| | |
|-----------------------------|----------------|
| Demolition | \$270,000 |
| Architectural/Engineering | 773,220 |
| Construction/Rehabilitation | 13,141,565 |
| Fixtures/Equipment | <u>505,215</u> |
| Total: | \$14,690,000 |

BUSINESS SUMMARY

Description: **Community Unit School District Number 3, Saline County (Harrisburg) Illinois** (the “**District**”) is located in southern Illinois, approximately 140 miles southeast of St. Louis, Missouri and 55 miles southeast of Mt. Vernon, Illinois.

The District is governed by an elected seven-member Board (see p. 8 for listing of Board of Education). The day-to-day affairs of the District are conducted by a full-time staff, including but not limited to Superintendent Michael Gauch.

Background: Encompassing an estimated 133 square mile area, the District serves the City and the Village of Muddy, Illinois, as well as smaller unincorporated areas in Saline County. The District's tax base is primarily residential in nature (55.68%), complemented primarily by commercial (31.84%) and farm properties (11.88%). See p. 9 for a map of the District.

The transportation network serving the area includes U.S. Route 45 and Illinois Routes 13, 34, 142 and 145. Commercial air transportation is available through Lambert International Airport in St. Louis, Missouri, while private air transportation is available via Harrisburg-Raleigh Airport in rural Saline County.

Higher educational opportunities are available through Southeastern Illinois Community College in Saline County, Southern Illinois University in Carbondale, Southern Illinois University in Edwardsville, Evansville University and the University of Southern Indiana in Evansville, Indiana.

The District currently operates four facilities and at the start of the 2015-2016 school year served the educational needs of 2,062 students in grades K through 12. Of the District's four facilities, the District operates two elementary schools (West Side Primary that serves grade Pre-K through 2 and East Side Intermediate that serves grades 3 through 5). Harrisburg Middle School and Harrisburg High School constitute the remaining facilities.

At the start of the 2015-2016 school year, the District had approximately 259 full-time employees and 22 part-time employees. Of the total number of employees, approximately 139 are represented by a union (which includes 126 teachers). Employee-union relations are considered to be good. The current teachers' contract expires on June 30, 2016.

**Financial
Condition:**

Many trends and economic factors could affect the future operations of the District and are taken into account by the District when budgeting and planning for the long term. Additionally, there are several major challenges facing the District, including declining revenues due primarily to the proration of General State Aid by the State. The District was certified to be in financial difficulty by the Illinois State Board of Education ("ISBE") on October 20, 2005. As a result of such certification, the District is required to operate pursuant to a financial plan approved by ISBE (the "**Financial Plan**"). The latest 3-year Financial Plan was approved in May 2015. Furthermore, the District is required to submit its annual budgets to ISBE for approval and to report to ISBE regarding the District's compliance with the Financial Plan. If the District fails to comply with the Financial Plan, ISBE may rescind approval of the Financial Plan and appoint a financial oversight panel.

**Outstanding
Debt:**

The District's outstanding long-term debt obligations are comprised of its (i) Series 2005 Bonds, outstanding in the principal amount of \$3.235MM, (ii) Series 2009 Bonds, outstanding in the principal amount of \$1.37MM, (iii) Series 2011 Bonds, outstanding in the principal amount of \$5.055MM, and (iv) various capital leases.

Concurrent to the issuance of the IFA Series 2016 Alternate Revenue Bonds, the District will be undertaking its own debt issuance of approximately \$7.235MM to construct fire prevention and life safety improvements to the existing school buildings of the District (\$4.00MM) and refund the District's Series 2005 Bonds (\$3.235MM).

Issuance of the Series 2016 Bonds through the Illinois Finance Authority will be the District's first issuance of Alternate Revenue Source bonds.

DISTRICT FACTS

Table 1: C.U.S.D. Number 3, Saline County Enrollment Trends – Total Students*:

| <u>Academic Year</u> | <u>Total Enrollment</u> |
|----------------------|-------------------------|
| 2011-2012 | 2,125 |
| 2012-2013 | 2,109 |
| 2013-2014 | 2,013 |
| 2014-2015 | 2,104 |
| 2015-2016 | 2,062 |

The District also forecasts stable enrollment of approximately 2,062 students for the next five years (i.e., 2016-2021)*.

*Source: Preliminary Offering Statement prepared by counsel.

Table 2: The Ten Largest Taxpayers in the District:

The companies listed below comprise the largest taxpayers in the District, which comprise approximately 8.32% of the District’s \$126,812,612 Equalized Assessed Value (“EAV”) posted in 2014, exclusive of tax increment finance and enterprise zone amounts.

| <u>Taxpayer Name</u> | <u>2014 EAV</u> | <u>Percent of District's Total EAV</u> |
|--|----------------------|--|
| Wal-Mart Real Estate Business | \$ 4,320,902 | 3.41% |
| WC-Harrisburg LLC | 1,460,645 | 1.16% |
| Budget Builders Lumber Co. | 960,338 | 0.76% |
| Harrisburg Shoppes LLC | 658,949 | 0.52% |
| Southern Illinois Medical Services NFP | 587,482 | 0.46% |
| Kroger Lmtd. Partnership I | 583,613 | 0.46% |
| US Realty 87 Harrisburg Assc. | 547,766 | 0.43% |
| Stearns Invstments 8 LLC | 494,254 | 0.39% |
| DJA Harrisburg LLC | 484,510 | 0.38% |
| Peoples National Bank | 447,298 | 0.35% |
| Total EAV of Ten Largest Taxpayers in District: | \$ 10,545,757 | 8.32% |

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

Table 3: The Largest Employers in and near the District:

The following table reports the major employers within or near the District.

| EMPLOYER | PRODUCT OR SERVICE | LOCATION | APPROXIMATE NUMBER OF EMPLOYEES |
|---|--------------------------------------|------------|---------------------------------------|
| SIU - Carbondale | Higher education | Carbondale | 6,100 |
| Dept. of Veteran's Affairs Med. Ctr. | Veteran's Hospital | Marion | 1,158 |
| Memorial Hospital of Carbondale | Hospital | Carbondale | 1,100 |
| AISIN Mfg. Illinois LLC | Automotive Parts | Marion | 900 |
| John A. Logan College | Higher Education | Marion | 850 |
| University Mall | Retail | Carbondale | 705 |
| American Coal Co. | Coal processing | Galatia | 650 |
| Heartland Regional Med. Ctr. | General hospital | Marion | 600 |
| General Dynamics | Firearms | Marion | 450 |
| Herrin Hospital | Health care | Marion | 450 |
| Harrisburg Medical Center, Inc. Center for Comprehensive Services | Medical & psychiatric hospital | Harrisburg | 450 |
| Walmart Supercenter | Disabled rehabilitation | Carbondale | 426 |
| Pepsi Mid America | Retail Store | Carbondale | 390 |
| Blue Cross Blue Shield | Beverage bottling | Marion | 350 |
| US Department of Justice | Claims processing | Marion | 350 |
| Illinois Dept. of Transportation | Federal prison | Marion | 342 |
| The District (C.U.S.D. #3) | Highway transportation department | Carbondale | 315 |
| Illinois Youth Center | Public Education | Harrisburg | 270 |
| Marion Reservation Center LLC | Correctional center | Harrisburg | 225 |
| Ferrell Hospital | Hotel reservation call center | Marion | 200 |
| Ameren Illinois Co. | Hospital | Eldorado | 200 |
| Egyptian Public Health | Gas and electric utility | Marion | 175 |
| Walmart | Public service | Raleigh | 137 |
| | Retail store | Harrisburg | 135 |

DEMOGRAPHIC INFORMATION

Table 4 - Population Growth:

The District has an estimated population of 13,049.

| Entity: | 1990 | 2000 | 2010 | % Change 2000-2010 |
|-------------------|-------------|-------------|-------------|---------------------------|
| District | N/A | 13,890 | 12,796 | -7.88% |
| Saline County | 26,551 | 26,733 | 24,913 | -6.81% |
| State of Illinois | 11,430,602 | 12,419,293 | 12,830,632 | 3.31% |

Unemployment Rates:

Unemployment statistics are not compiled specifically for the District. According to the Illinois Department of Employment Security, the City of Harrisburg posted an unemployment rate of 9.0% during calendar 2014, while Saline County posted an unemployment rate of 8.1% during calendar 2014. This compared with an annual average unemployment rate of 7.1% for the State of Illinois during calendar 2014.

Median Household Income:

According to the U.S. Census Bureau, 2009 – 2013 American Community Survey, the District had a median household income of \$40,218. This compares with \$57,166 for the State and with \$38,772 for Saline County. The District's median household income is approximately 70.35% of the State's median household income.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower: Harrisburg Community Unit School District 3, Saline County

Contact: Michael Gauch, Superintendent
40 South Main, Harrisburg, IL 62946
Telephone: (618) 253-7637
E-mail: mgauch@harrisburg3.com

Entity: Illinois Public School District

Board of Education: Chris Penrod - President
Michelle Way - Vice President
Jeffrey Drake - Secretary
Tom DeNeal
Kevin Dowdy
Ryan Lambert
Billy Smith

Administration/Central Office Staff: Michael Gauch, Superintendent
John Hurd, Special Education Coordinator
Cindy Black, Erate and Title Coordinator
Debbie Abney, Special Education Secretary
Cheryl Angelly, Bookkeeper
Sherri Fox, Apple Computer Technician/Tech Coordinator
Valerie Hodges, Administrative Assistant to the Superintendent/Food Service Coordinator/
Time and Attendance Secretary
Keri Holland, Administrative Assistant to the Superintendent
Kelly Wren, Bookkeeper
Brenda Ziegler, Windows Computer Technician/Tech Coordinator

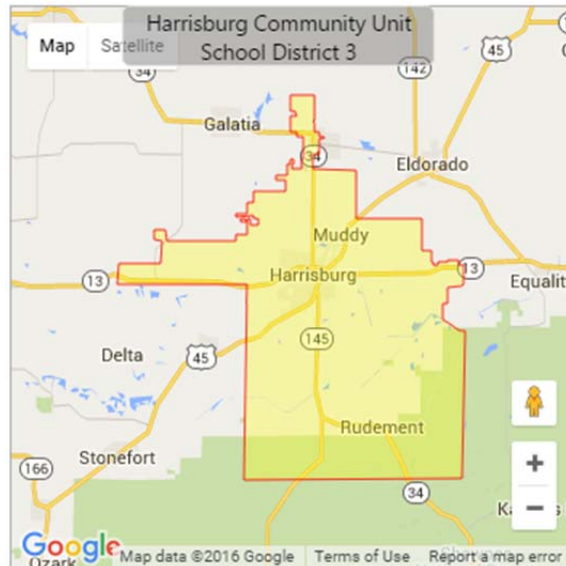
PROFESSIONAL & FINANCIAL

| | | | |
|----------------------------------|----------------------------------|-----------------|--------------------------------|
| Auditor: | Donohoo, McCalley & Associates | Wood River, IL | |
| Borrower's Financial Advisor: | Kings Financial Consulting, Inc. | Monticello, IL | E. Timothy King |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Larry White Seema Masterson |
| Disclosure Counsel: | Chapman and Cutler LLP | Chicago, IL | Kyle W. Harding Kent Floros |
| Senior Underwriter: | D.A. Davidson & Co. | Des Moines, IA | Scott Stevenson |
| Co-Manager: | RBC Capital Markets LLC | Chicago, IL | James N. Rachlin |
| Bond Registrar and Paying Agent: | UMB Bank, N.A. | Kansas City, MO | |
| Bond Insurance: | Assured Guaranty Municipal Corp. | New York, NY | |
| Rating Agency: | Standard and Poor's | Chicago, IL | |
| Issuer's Counsel: | Hart Southworth & Witsman | Springfield, IL | Sam Witsman |
| IFA Financial Advisor: | Sycamore Advisors, LLC | Chicago, IL | Melanie Shaker |

LEGISLATIVE DISTRICTS

Congressional: 15
 State Senate: 59
 State House: 118

SALLINE COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 3 (HARRISBURG) MAP



SUPPLEMENTAL INFORMATION RELATING TO THE PROPOSED ISSUANCE OF “ALTERNATE BONDS” BY COMMUNITY UNIT SCHOOL DISTRICT NO. 3 (HARRISBURG)

Summary
Information on
Alternate

Revenue Bonds: Section 15 of the Local Government Debt Reform Act provides that whenever there exists for a governmental unit a revenue source, the issuer [C.U.S.D. No. 3] may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as “*Alternate Bonds*”.

Such bonds are general obligation debt payable from the pledged alternate revenues with the general obligation of the issuer acting as back-up security.

The Reform Act prescribes several conditions that must be met before Alternate Bonds may be issued.

1. First, Alternate Bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the Alternate Bonds must be authorized under applicable law. Alternate Bonds may be issued payable from either enterprise revenues or other revenue sources, or both.
2. Second, the question of issuance must be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue Alternate Bonds, a petition signed by the greater of (i) 7.5% of the registered voters in the government unit or; (ii) 200 of those registered voters or 15%, whichever is less, is filed.
3. Third, the issuer [C.U.S.D. No. 3] must determine that the pledged revenue source or sources are sufficient in each year to final maturity to provide not less than 1.25 times debt service of the proposed Alternate Bonds and all other outstanding Alternate Bonds of the issuer [C.U.S.D. No. 3] payable from the same revenue source. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body [C.U.S.D. No. 3] to provide in each year an amount not less than 1.25 times debt service on all Alternate Bonds payable from such revenue sources previously issued and outstanding and the Alternate Bonds proposed to be issued. The issuer [C.U.S.D. No. 3] must in fact pledge and covenant to provide for, collect and apply the pledged alternate enterprise revenues or revenue source(s).

RESOLUTION NO. 2016-0310-AD06

RESOLUTION TO ACCEPT THE FISCAL YEAR 2015 FINANCIAL AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT AND THE FISCAL YEARS 2014 & 2015 COMPLIANCE EXAMINATION

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

WHEREAS, pursuant to the Act, the Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act (30 ILCS 5/1-1 *et seq.*) (the “Illinois State Auditing Act”);

WHEREAS, it is the Auditor General’s responsibility to express an opinion on the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, a component unit of the State of Illinois, as of and for the year ended June 30, 2015 (“Fiscal Year 2015”), and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements;

WHEREAS, it is the Auditor General’s responsibility to maintain an effective system of internal controls over compliance requirements;

WHEREAS, E. C. Ortiz & Co., LLP performs as Special Assistant Auditors for the Auditor General;

WHEREAS, E. C. Ortiz & Co., LLP conducted the Authority’s Financial Audit for Fiscal Year 2015 in accordance with Government Auditing Standards, issued by the Comptroller General of the United States;

WHEREAS, E. C. Ortiz & Co., LLP conducted the Authority’s Compliance Examination for the two years ended June 30, 2015 (the “Fiscal Years 2014 & 2015 Compliance Examination”) in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States; the Illinois State Auditing Act; and the Audit Guide as adopted by the Auditor General pursuant to the Illinois State Auditing Act;

WHEREAS, on January 28, 2016, the Auditor General released the Authority’s Fiscal Year 2015 Financial Audit;

WHEREAS, on February 18, 2016, the Auditor General released the Authority’s Fiscal Years 2014 & 2015 Compliance Examination;

WHEREAS, the Authority submitted its Fiscal Year 2015 Comprehensive Annual Financial Report (“CAFR”) to the Government Finance Officers Association of the United States and Canada;

WHEREAS, in the opinion of the Independent Auditors, the Authority’s Fiscal Year 2015 Financial Audit presents fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for the Illinois Finance Authority, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America;

WHEREAS, in the opinion of the Independent Auditors, except for the noncompliance described in the Fiscal Years 2014 & 2015 Compliance Examination findings, the Authority complied, in all material respects, with the requirements described above for the two years ended June 30, 2015;

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. Acceptance of the Fiscal Year 2015 Financial Audit and Comprehensive Annual Financial Report and the Fiscal Years 2014 & 2015 Compliance Examination. The Authority hereby accepts the Fiscal Year 2015 Financial Audit and Comprehensive Annual Financial Report and the Fiscal Years 2014 & 2015 Compliance Examination.

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

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

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

RESOLUTION NO. 2016-0310-AD07

**RESOLUTION REGARDING THE EVALUATION, COMPENSATION AND GOALS
OF THE EXECUTIVE DIRECTOR**

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

WHEREAS, pursuant to Section 801-15 of the Act, the Authority is authorized to set the compensation of the Executive Director; and

WHEREAS, the Executive Committee has prepared a report on the recommended goals and evaluation and compensation of the Executive Director (the “Report”); and

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

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

Section 2. Approval of the Report of the Executive Committee on the Evaluation, Compensation, and Goals of the Executive Director The Report of the Executive Committee, attached hereto as an Exhibit, is hereby approved.

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

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

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

Approved and effective this 10th day of March, 2016 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Chair

ATTEST:

Assistant Secretary