

ILLINOIS FINANCE AUTHORITY

October 16, 2014

AGENDA

COMMITTEE OF THE WHOLE MEETING

9:30 a.m.

**Michael A. Bilandic Building
160 North LaSalle Street, 16th Floor
Courtroom II
Chicago, Illinois 60601**

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

BOARD MEETING

10:30 a.m.

**Michael A. Bilandic Building
160 North LaSalle Street, 16th Floor
Courtroom II
Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Adoption of the Minutes
- IV. Acceptance of the Financial Statements
- V. Approval of Project Reports and Resolutions
- VI. Other Business
- VII. Public Comment
- VIII. Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds <i>Final (One-Time Consideration)</i>						
1	A) Adam E. Helregel	Ste. Marie Township (Jasper County)	\$150,000	-	-	PE/LK
	B) Rollin Wenger	Forrest Township (Livingston County)	\$137,500	-	-	PE/LK
	C) Jacob Cody Elliott	Eliza Township (Mercer County)	\$441,000	-	-	PE/LK
Agri-Debt Restructuring Guarantee <i>Final (One-Time Consideration)</i>						
2	Berkeley Boehne	Shabbona (DeKalb County)	\$500,000	-	-	PE/LK
3	Vaughn Boehne	Shabbona (DeKalb County)	\$500,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			\$1,728,500	-	-	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds <i>Final (One-Time Consideration)</i>						
4	Lake Forest College	Lake Forest (Lake County)	\$19,000,000	N/A	N/A	RF/BF
501(c)(3) Revenue Bonds <i>Preliminary</i>						
5	North Central College	Naperville (DuPage County)	\$97,500,000	30	325	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			\$116,500,000	30	325	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds <i>Preliminary</i>						
6	The Lodge of Northbrook, Inc.	Northbrook (Cook County)	\$19,000,000	19	80	PL/NO
7	Villa St. Benedict	Lisle (DuPage County)	\$43,000,000	N/A	N/A	PL/NO
TOTAL HEALTHCARE PROJECTS			\$62,000,000	19	80	
GRAND TOTAL			\$180,228,500	49	405	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
8	Resolution Authorizing the Issuance of Not to Exceed \$10,400,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bond (Search, Inc. Project), Series 2014, the Proceeds of which are to be Loaned to Search, Inc.	RF/BF

October 16, 2014

TO: William A. Brandt, Jr., Chairman
Gila J. Bronner
James J. Fuentes
Norman M. Gold
Lerry Knox
Edward H. Leonard, Sr.
Carmen Lonstein
Terrence M. O'Brien

Michael W. Goetz, Vice-Chairman
Heather D. Parish
Mayor Barrett F. Pedersen
Roger Poole
Mordecai Tessler
David Vaught
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

This month, we are proud to present a diverse cross-section of projects for your consideration. In connection with our commitment to non-profit higher education, **North Central College** (not-to-exceed \$97.5 million), Naperville, Illinois, and **Lake Forest College** (not-to-exceed \$19 million), Lake Forest, Illinois, are before you for preliminary and one-time final approval, respectively. Non-profit senior living is also represented with preliminary resolutions for the **Villa St. Benedict** (not-to-exceed \$43 million), Lisle, Illinois, and **The Lodge of Northbrook, Inc.** (not-to-exceed \$19 million), Northbrook, Illinois. Finally, we have two agricultural guarantees for farmers working in DeKalb County.

Importantly, last month, the Authority was proud to have once again helped **Freedman Seating Company**, a family business originally founded over 120 years ago, with a \$10 million federally tax-exempt industrial revenue bond that closed in late September. The borrower will use bond proceeds to finance or refinance costs of acquisition, renovation, construction and equipping of its existing seating manufacturing facilities, and related manufacturing equipment, located at West Augusta Boulevard and North Kilbourn Avenue on Chicago's West Side. Freedman Seating Company is the largest employer in the 37th Ward of the City of Chicago, an economically challenged area of the city.

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

Respectfully,



Christopher B. Meister
Executive Director

Attachments:

Attachment 1 – Bonds Issued – Fiscal Year Comparison for the Period Ending September 30,
2014

Attachment 2 – Bonds Issued and Outstanding as of September 30, 2014

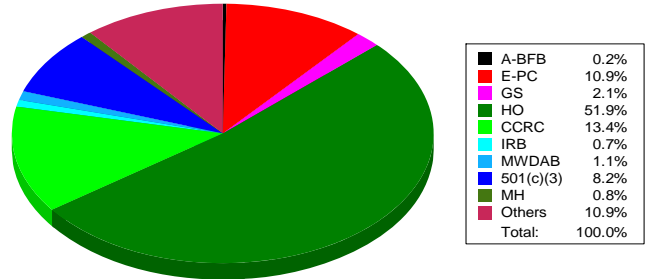
Attachment 3 – Schedule of Debt as of September 30, 2014

Bonds Issued - Fiscal Year Comparison for the Period Ending September 30, 2014

Fiscal Year 2013

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	4,461,655
8	Education	264,865,000
1	Gas Supply	50,000,000
10	Healthcare - Hospital	1,262,625,000
5	Healthcare - CCRC	326,840,068
3	Industrial Revenue	18,112,280
3	Midwest Disaster Area Bonds	25,700,000
11	501(c)(3) Not-for-Profit	198,592,750
1	MultiFamily/Senior Housing	18,630,000
1	Freight Transfer Facilities	75,000,000
2	Local Government	15,025,000
1	Enviromental issued under 20	10,935,000
60		\$ 2,270,786,753

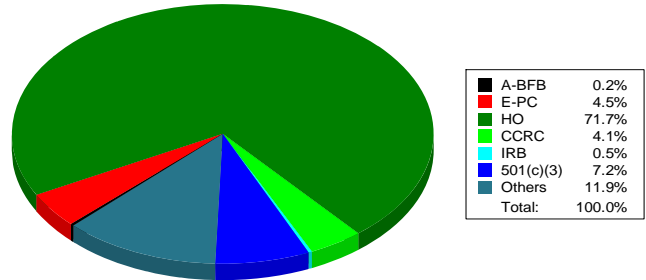
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

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

Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	485,550
1	Education	593,445,000
2	Healthcare - Hospital	153,310,000
2	Industrial Revenue	14,000,000
3	501(c)(3) Not-for-Profit	70,615,000
10		\$ 831,855,550

Bonds Issued in Fiscal Year 2015





Bonds Issued and Outstanding as of September 30, 2014

Bonds Issued between July 01, 2014 and September 30, 2014

<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 Bonds	07/01/2014	Variable	485,550	0
HO Southern Illinois Healthcare	07/01/2014	Variable	127,215,000	51,235,000
IRB Peddinghaus Corporation	07/11/2014	Variable	4,000,000	0
501(c)(3) Freeport Regional Health Care Foundation	07/22/2014	Variable	40,000,000	0
501(c)(3) Lawrence Hall Youth Services	08/13/2014	Variable	12,100,000	0
HO The Carle Foundation	08/08/2014	Variable	26,095,000	26,095,000
E-PC University of Chicago	08/12/2014	Variable	573,645,000	500,000,000
E-PC Dominican University	08/20/2014	Variable	19,800,000	19,800,000
IRB Freedman Seating Company	09/25/2014	Variable	10,000,000	5,068,417
501(c)(3) Rodgers Park Montessori School	09/26/2014	Fixed at Schedule	18,515,000	10,000,000
Total Bonds Issued as of September 30, 2014			<u>\$ 831,855,550</u>	<u>\$ 612,198,417</u>

Legend: Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

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

Beginner Farmer Bonds Funded between July 01, 2014 and September 30, 2014

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Gentry Storm	09/19/2014	3.125	485,550	138.61	Shelby
Total Beginner Farmer Bonds Issued			<u>\$ 485,550</u>	<u>138.61</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, 2014	September 30, 2014		
Illinois Finance Authority "IFA" ^[b]				
Agriculture	\$ 53,777,601	\$ 54,338,151		
Education	4,273,376,072	4,317,406,813		
Healthcare	13,684,111,707	13,757,972,611		
Industrial Development [includes Recovery Zone/Midwest Disaster]	733,436,300	728,826,428		
Local Government	378,900,000	346,360,000		
Multifamily/Senior Housing	171,092,146	170,712,074		
501(c)(3) Not-for Profits	1,398,141,362	1,398,506,178		
Exempt Facilities Bonds	299,970,000	249,970,000		
Total IFA Principal Outstanding	\$ 20,992,805,188	\$ 21,024,092,255		
Illinois Development Finance Authority "IDFA" ^[b]				
Education	12,126,388	496,388		
Healthcare	169,440,000	169,440,000		
Industrial Development	327,803,336	320,538,720		
Local Government	316,907,002	316,907,002		
Multifamily/Senior Housing	84,772,869	84,616,970		
501(c)(3) Not-for Profits	782,801,078	753,443,569		
Exempt Facilities Bonds	75,000,000	75,000,000		
Total IDFA Principal Outstanding	\$ 1,768,850,673	\$ 1,720,442,648		
Illinois Rural Bond Bank "IRBB" ^[b]				
Bond Bank Revenue Bonds	10,985,000	-		
Total IRBB Principal Outstanding	\$ 10,985,000	\$ -		
Illinois Health Facilities Authority "IHFA"	\$ 936,755,000	\$ 792,389,980		
Illinois Educational Facilities Authority "IEFA"	\$ 690,152,000	\$ 694,986,000		
Illinois Farm Development Authority "IFDA" ^[1]	\$ 21,609,864	\$ 21,609,864		
Total Illinois Finance Authority Debt	\$ 24,421,157,725	\$ 24,253,520,747	\$ 28,150,000,000	\$ 3,896,479,253

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

Section I (b)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2014	September 30, 2014		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
** Issued through IRBB - Local Government Pools	\$ 10,985,000			
** Issued through IFA - Local Government Pools	21,370,000			
Issued through IFA - Illinois Medical District Commission	37,600,000	36,280,000		
Total General Moral Obligations	\$ 69,955,000	\$ 36,280,000	\$ 150,000,000	\$ 113,720,000
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]	148,237,655	135,460,594		
Total State Component Unit Bonds	\$ 148,237,655	\$ 135,460,594		

 Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

Section I (c)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2014	September 30, 2014		
Midwest Disaster Bonds [Flood Relief]	\$ 66,044,684	\$ 65,853,502	\$ -	\$ 41,530,000

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

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated ^[h]	City/Counties Ceded Voluntarily to IFA	Bonds issued as of January 31, 2013	Available "Ceded" Volume Cap
Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000	\$ 12,900,000	\$ 4,040,000
Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 205,024,024	\$ 214,849,804	\$ (9,825,780)
Qualified Energy Conservation Bonds	\$ 133,846,000	\$ -	\$ 44,370,000	\$ -

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, 2014	September 30, 2014		
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, 2014	September 30, 2014		
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, 2014	September 30, 2014			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,118,156	\$ 9,243,360	\$ 9,058,225	\$ 160,000,000	\$ 150,941,775	\$ 7,694,258
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$7,814,144	\$ 9,837,616	\$ 9,622,305	\$ 225,000,000 ^[e]	\$ 215,377,695	\$ 8,178,959
Agri Industry Loan Guarantee Program	\$ 5,108,251	\$ 5,051,909			4,294,122
Farm Purchase Guarantee Program	917,680	917,680			780,028
Specialized Livestock Guarantee Program	2,763,756	2,604,787			2,214,069
Young Farmer Loan Guarantee Program	1,047,929	1,047,929			890,740
Total State Guarantees	\$ 19,080,977	\$ 18,680,529	\$ 385,000,000	\$ 366,319,471	\$ 15,873,217

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

Section V		Fund #	Principal Outstanding		Appropriation Fiscal Year 2015	Cash and Investment Balance
			June 30, 2014	September 30, 2014		
132	Fire Truck Revolving Loan Program	Fund # 572	\$ 17,052,813	\$ 15,967,827	\$ 2,383,342	\$ 5,699,284
8	Ambulance Revolving Loan Program	Fund # 334	\$ 415,920	\$ 389,100	\$ 7,006,800	\$ 3,814,100

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, 2014	September 30, 2014		
Environmental [Large Business]				
Issued through IFA	\$ 26,315,000	\$ 25,595,000		
Issued through IDFA	177,380,000	177,380,000		
Total Environmental [Large Business]	\$ 203,695,000	\$ 202,975,000	\$ 2,425,000,000	\$ 2,222,025,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 203,695,000	\$ 202,975,000	\$ 2,500,000,000	\$ 2,297,025,000

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding	
		June 30, 2014	September 30, 2014
Participation Loans			
Business & Industry	23,020,158	1,616,353	1,578,777
Agriculture	6,079,859	114,269	114,269
Participation Loans exluding Defaults & Allowances	29,100,017	1,730,622	1,693,046
Plus: Legacy IDFA Loans in Default		858,458	858,458
Less: Allowance for Doubtful Accounts		1,002,182	1,002,182
Total Participation Loans		1,586,898	1,549,322
Local Government Direct Loans	1,289,750	157,689	147,000
Rural Bond Bank Local Government Note Receivable			25,160,037
FmHA Loans	963,250	227,046	222,734
Renewable Energy [RED Fund]	2,000,000	1,396,598	1,373,247
Total Loans Outstanding	34,353,017	3,368,231	28,452,339

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

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

[b] State Component Unit Bonds included in balance.

[c] Does not include Unamortized issuance premium as reported in Audited Financials.

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

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

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

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

[h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

[i] Includes EPA Clean Water Revolving Fund



COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
TUESDAY, AUGUST 12, 2014
9:32 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the “Committee” or “COW”), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of August in the year 2014, 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”), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Legal Fellow declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Lonstein was recorded as present at the time of 9:33 a.m.

**ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
COMMITTEE ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE**

August 12, 2014

0 YEAS

0 NAYS

11 PRESENT

P	Bronner (VIA AUDIO CONFERENCE)	E	Leonard	P	Poole
P	Fuentes	P	Lonstein (ADDED)	E	Tessler
P	Goetz	P	O’Brien	P	Vaught
E	Gold	E	Parish	P	Zeller
P	Knox	P	Pedersen	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

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

III. Message from the Executive Director

Executive Director Meister reminded the Committee about the September 2, 2014 change of office location. The Authority will be temporarily moving to 160 N. LaSalle Street (the "Michael A. Bilandic Building") and will be sharing the 8th floor offices with the Illinois Commerce Commission. Executive Director Meister further noted that the Authority will be permanently moving to the 10th floor of the Michael A. Bilandic Building when the current occupant, the Bureau of Mental Health Services, has relocated. As a result, Executive Director Meister informed the Committee of the necessary change of dates for the upcoming September COW and Board meetings. The September meetings will now be held on Tuesday, September 16th, 2014, and the Executive Director will be corresponding with the Authority staff and the Board to keep them updated.

Next, Executive Director Meister asked Ms. Mari Money, the Assistant to the Executive Director, to inform the Committee on the new State of Illinois identification badge system. Ms. Money stated that the Michael A. Bilandic Building is a secure State-run facility and each Member will need to have their respective State Identification ("ID") reissued. Ms. Money further noted that the ID badges will be on a monthly activation schedule. Chairman Brandt voiced concern about the ID's having to be switched on and off before each meeting and requested that Ms. Money work with the Illinois State Police to have the Members' badges activated on a permanent basis. Several Members of the Committee shared this concern and Ms. Money agreed. She further noted that she would speak with the building administrators and would fix the issue before the next meeting.

Chairman Brandt and Member Pedersen thanked Ms. Money for her tireless work and commitment during the move and for making the transition as seamless as possible for each of the Board Members.

Then, Executive Director Meister mentioned the August 4th, 2014 event at the Loyola Stritch School of Medicine with Governor Quinn, U.S. Senator Durbin (D-IL) and Chairman Brandt. The event introduced the seven Deferred Action for Childhood Arrivals ("DACA") students who are receiving Illinois Finance Authority loans to pursue their medical education and ultimately practice in medically underserved communities across the State of Illinois.

Chairman Brandt noted that Governor Quinn was very supportive of the program and inquired about the possibility of growing the program. Chairman Brandt discussed a large expansion of the program and its need for legislative support. Currently, there are six other medical schools and three dental schools monitoring the program for future participation. Chairman Brandt noted that the vote by the U.S. House of Representatives requesting the deportation of the DACA students has caused other schools to back away for fear of such deportation limiting the student's ability to repay the loans. However, the State of Illinois has agreed to issue the students medical licenses, and Chairman Brandt believes that despite the U.S. House of Representatives vote these loans will be low risk investments that will be repaid as planned. Executive Director Meister noted that there is at least one piece of substantive legislation that will need to be changed for this program to proceed and he has discussed this with the Office of the Governor.

Next, Executive Director Meister mentioned the work that the Council of Development Finance Agencies ("CDFA") and Rich Frampton were doing with Congressman Randy Hultgren (IL-14). On August 1,

2014, Congressman Hultgren introduced legislation to modernize Industrial Revenue Bonds and wished to thank Mr. Frampton, Vice President of the Authority and a Board Member of CDFA, for his efforts.

Finally, Executive Director Meister noted that there will be a report on the next steps in the New Market Tax Credit program which the Authority first discussed in August 2013. Also, the Committee will be joined via teleconference by the St. Clair County State's Attorney to discuss last year's legislation approved by the Illinois General Assembly and signed into law by Governor Quinn utilizing the Authority as a joint administrator of some locally held funds for the Metro East Police District Commission.

IV. Consideration of the Minutes

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on July 8, 2014 or any errors in the Minutes of the regular meeting of the Board held on July 8, 2014.

Member Lonstein stated she had reviewed the minutes and they are satisfactory for adoption.

Member Pedersen moved for the adoption of the Minutes of the regular meeting of the Committee held on July 8, 2014.

Member Poole seconded the motion.

The motion prevailed and the Minutes were adopted.

V. Presentation and Consideration of the Financial Statements and the Monthly Procurement Report

1. GENERAL FUND REVENUES, EXPENSES AND NET INCOME

- a. Monthly/Annual Operating Revenues totaled \$82 thousand, while Monthly/Annual Non-Operating Revenues totaled \$144 thousand. Total annual combined gross revenues of \$226 thousand are \$165 thousand or 42.2% below budget; mostly due to lower than anticipated administration and closing fees and annual fees. June admin service fees of \$409 thousand was the highest amount since last December, with July fees totaling just \$67 thousand.¹
- b. In July, the Authority received admin/closing fees from *Peddinghaus Corporation*, *National Jewish Federation* and *Freeport Regional Health Care Foundation* of \$31 thousand, \$10 thousand and \$25 thousand respectively. Monthly gross interest/investment income increased dramatically, as interest revenue from the local governments (formerly Illinois Rural Bond Bank) of \$117 thousand was recognized this month. Investment income generated by the investment managers was \$27 thousand, with -\$39 thousand in realized and unrealized losses. Total net interest and investment income for July equaled \$106 thousand.

¹Operating 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.

- c. Monthly/Annual Operating Expenses plus Depreciation totaled \$220 thousand and are \$143 thousand or 39% below budget primarily due to lower than expected employee related expenses and reversals of Fiscal Year (“FY”) 2014 accruals.
- d. In July, the combined General Fund (now comprised of the General Operating Fund and the Local Government Borrowing Fund) showed a Monthly/Annual Net Loss of -\$33 thousand, compared to June, which had net income totaling \$118 thousand.

2. GENERAL OPERATING FUND ASSETS, LIABILITIES AND NET POSITION

- a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of just under \$53 million (consisting of cash, investments, and note receivables) are 46 times the total liabilities of \$1.1 million. \$25.6 million of total assets are due to note receivables from the local governments (formerly Rural Bond Bank). Following the defeasance of the outstanding Rural Bond Bank bonds, \$24.6 million in unrestricted cash and investments remain. Of this amount, pending transfers for DACA and JADA will be made in August for a total of \$2.03 million.
- b. To maintain sufficient cash liquidity and support daily operations, \$2.5 million in General Fund investments (from Ziegler Capital) are being liquidated in August and transferred to IFA’s operating account. The remaining General Fund/Other IFA Funds may be moved to Clear Arc accounts.
- c. IEPA funds under Ziegler Capital management will remain in the custody of Amalgamated Bank until further notice.

3. FY14 FINANCIAL STATEMENT AUDIT AND GASB UPDATE

- a. The FY14 financial audit continues with IFA finalizing the books for FY14 and the auditors performing general fieldwork. Updated FY14 year-end financials for all funds will be presented at the September Board Meeting.
- b. In the presentation for the FY14 audited annual financial statements, the *Metro East Police District Commission* will be shown as a separate fiduciary fund and will have its own separate financials. A separate audit conducted by the Auditor General is also underway with IFA providing assistance to the Commission.
- c. Two new funds were created as of June 30, 2014. One for the DACA student loan program and another for the new Local Government Borrowing Fund. The latter fund will replace the Rural Bond Bank (former Moral Obligation legacy program) and receive principal and interest payments from local government securities. The DACA fund is a stand-alone, non-major fund while the Local Government Borrowing Fund, as shown above, is presented as a component of the General Fund for reporting purposes.

In connection with the financial statements and the Authority’s office relocation, Member O’Brien inquired about the occupancy costs and asked what financial benefits will be realized when the Authority moves to the new facility.

Executive Director Meister stated that the Authority expects to have substantial savings under the new lease and asked Ms. Sohair Omar to give the Committee a brief accounting of the rent. Ms. Omar stated that the Authority currently pays about \$24 thousand in monthly rent. For the temporary office placement, the rent will be just under \$3,000 per month. When the Authority moves into the permanent office, rent will be roughly \$7,600 per month, which is an average savings of between \$14 and \$18 thousand per month.

In connection with the liquidation of Ziegler Capital Management, LLC (“Ziegler”) funds, Vice Chairman Goetz asked Ms. Granda whether or not the Authority will realize a loss on the \$2.5 million of liquidated funds for operating costs. Ms. Granda noted that the Authority should not realize a loss.

Chairman Brandt asked Ms. Granda if the Authority ended with a profit in Fiscal Year 2014 and Executive Director Meister noted that currently there is a small loss of roughly \$13 thousand. Executive Director Meister noted that Ms. Melinda Gildart will have the FY14 numbers at the September Committee of the Whole meeting.

VI. Committee Reports

Investment Committee

Member Bronner reported that the Committee convened the inaugural Investment Committee meeting on July 23, 2014. The majority of the meeting was in confidential closed session as allowed under the Open Meetings Act. The Committee met with both of the Authority’s investment managers, ClearArc Capital, Inc. and Ziegler. Discussed were the Authority’s investment objectives, the investment results and the presentations of the investment management teams.

Member Bronner noted that Ziegler decided to resign from the Authority account after the Committee inquired about operational issues Ziegler was having. Presently, staff is working with Ziegler to manage an orderly transition. Member Bronner mentioned that The Ziegler Companies, Inc. which owns the investment bank and has brought several non-profit conduit senior living projects to the Authority, no longer owns Ziegler Capital Management, LLC. Since 2013, Ziegler Capital Management, LLC has been owned by Stifel Nicolaus and not The Ziegler Companies, Inc. which the Authority usually engages with.

Member Bronner stated that the Authority is looking to issue two Requests for Proposals to expand the scope of the manager pool and seeking an investment adviser. Authority staff is currently looking at options for these procurements.

Finally, the membership of the Investment Committee has expanded and Member Poole and Member Pedersen have agreed to lend their services. The Committee is looking to have another meeting as these procurements move forward.

Chairman Brandt noted that these meetings were in response to questions the full Board had about the income earned on the investments, and inquired if the Committee has a better understanding of this issue after the meeting. Member Bronner stated that the Committee felt it was clear both of the investment managers felt hamstrung by the requirements associated with the Illinois Investment Act and the Authority’s own Investment Policy. The Committee asked both parties if they had suggestions of appropriate changes to the Authority’s Investment Policy. This will be discussed at the next Investment Committee meeting. Chairman Brandt asked if the Authority, being self-financed, is governed by the Illinois Investment Act. Executive Director Meister noted that the Authority is bound but there is some additional flexibility under the Authority’s own Act. The Authority intends to engage outside counsel and will obtain an opinion to that effect.

Member Lonstein noted that the Committee got the sense from both investment managers that the current Investment Policy the Authority has is stricter than it needs to be, and there is some additional flexibility that could be available under the Investment Act that would be more favorable for the investments being managed. Member Bronner stated that this has given the Committee an opportunity to both interact with investment managers and likewise begin the dialogue around the Authority's own objectives in its Investment Policy.

Audit Committee

Member Bronner noted that the Authority staff is working on the FY14 financial audit with the Illinois Auditor General's special assistant auditors. At this juncture, the Committee did not feel it was necessary to have a Committee meeting but will hold one closer to the completion of the audit process in the fall.

Also, with respect to the topic of audits and accountability, Member Bronner noted that just over a year ago the Illinois General Assembly thought it was important for the Authority to jointly administer a fund for a newly created governmental special district called the Metro East Police District Commission (the "Commission"). Given that the Commission is entirely new, without designated funding and comprised of a volunteer board, the Committee thought it was important to have a status report from this entity. This report, to the extent possible, would determine how the Authority could provide assistance to the Commission. Member Bronner further noted that St. Clair County State's Attorney Brendan Kelly will be giving a report to the Committee of the Whole today.

Chairman Brandt noted, as a reminder for the Committee, that this project is meant to apply proceeds, minus court costs, of traffic stops and court convictions, towards a training program for several surrounding Metro East communities.

Agriculture Committee

Member Zeller reported that the Agriculture Committee did not have a quorum, but reviewed the following project report: Item 1.

Healthcare and Education Committee

Member Knox reported that the Healthcare and Education Committee reviewed and recommended approval of the following project report: Item 2.

VII. Project Reports and Resolutions

Resolutions

Item 8: Item 8 is a Resolution Authorizing and Approving Necessary Assistance to the Metro East Police District Commission in Connection with the Fund Jointly Administered by the Illinois Finance Authority and the Metro East Police District Commission.

Chairman Brandt asked if St. Clair County State's Attorney Brendan Kelly could give his report on the Metro East Police District Commission. Member Vaught asked what the Authority understands its role to be under the statute. Chairman Brandt stated that the general understanding when first approached was that the Authority would simply hold the funds as a repository. However, the Authority felt that it would be better if there were benchmarks and deliverables the Board could use to oversee the funding and release of funds. Chairman Brandt stated the Board decided that, given the required staff resources, the Authority would charge a small fee and in connection with that would move further into the

administration of the program qualitatively rather than simply maintaining an account on behalf of the Commission.

Member Vaught inquired about the legislative intent of the program and questioned whether the Authority is intended to take money from funds that the program may not have.

*Member Bronner left the Committee of the Whole meeting at 10:10 a.m.

Executive Director Meister noted that this is an initiative of the St. Clair County State's Attorney and Governor Quinn. The Authority's involvement, unlike in other special districts, is in the joint administration of the Commission fund. While the Authority has powers within its Act to provide some assistance with respect to financing, the Authority's desired involvement in connection with this program is to be a joint administrator.

Member Vaught asked about the origin of the limitations. Member Vaught noted that there is a history of the Authority providing assistance to the City of East St. Louis and wished to clarify what assistance will be provided as a result of this joint administration and to whom, as well as how any limitations that exist will be enforced.

Chairman Brandt noted Member Vaught's concerns and stated there is no doubt that the Authority, under its Act, has the ability to provide assistance for distressed municipalities. This program is not in the same category and is a specific program that apparently has to do only with supportive training for police officers. The Authority was given this project as is, and does not have the ability to reinterpret the basis of or structure of the program. The Authority was simply asked to hold the accounts, and now wishes to outline some benchmarks for the disbursement of funds. The fee is only meant to cover the staff time necessary for overseeing this project. Chairman Brandt wished to defer any further questions to State's Attorney Brendan Kelly.

* St. Clair County State's Attorney Brendan Kelly joined the Committee of the Whole meeting at 10:16 a.m.

Chairman Brandt asked Ms. Granda to give a brief explanation of how the deposits from the courthouse to the project fund have been handled thus far. Ms. Granda stated that the county clerk has access to the Authority account and deposits funds into the Metro East locally held fund. The treasurer of the Metro East Commission provides a certification for a deposit and for disbursement of funds. It was noted that there is currently about \$56,000 in the account.

Next, Chairman Brandt asked Mr. Kelly to give an overview of how the program will proceed and how the funds will be accrued and disbursed. Mr. Kelly began discussing the issues faced by St. Clair County and East St. Louis specifically. There have been serious problems with public integrity as related to law enforcement, as well as efficiency and resources for law enforcement to fight violent crime in East St. Louis, Brooklyn, Alorton and Washington Park. East St. Louis has the highest per capita homicide rate in the nation. This program is aimed at training officers and supplying equipment to combat these high levels of violent crime. This involves providing and implementing training programs to rebuild policies and procedures including ethics and operational procedures in those four departments. The Commission was approved and signed into law in the fall of 2012 and the gubernatorial appointees were appointed and confirmed in early 2013; they have been holding monthly meetings since then. The Commission entered into an intergovernmental agreement with the Authority. The Commission has no staff and is completely a voluntary commission. The Commission has applied for some grants but currently operates solely with volunteers from the respective communities.

The Authority's desire is to have some type of oversight provided by the Authority for the accrual and application of assets so that the integrity of the program can be upheld and monitored. Some of the revenue has come from drug seizures and other income will come from an additional \$100 fine for each felony DUI conviction in those communities. Mr. Kelly noted that very little revenue will come from here due to offender poverty and inability to pay fines, as well as a lack of DUI arrests because the rate of violent crime that takes precedent.

Mr. Kelly wished to thank the Authority for their time already spent, and notes the Commission would appreciate any help and oversight the Authority could provide.

Chairman Brandt stated that the program came to the Authority in an "embryonic" state and the Authority initially decided that it would be appropriate for the Commission to have a benchmark system so that this was not a cash account with no oversight. This would be a certification structure so that when funds were applied for there would be a certification of certain benchmarks to both the Authority and the Auditor General. The Authority is not aware of any legislative intent otherwise, and the Authority's first goal is to satisfy the Auditor General's concerns, but nothing more as it stands.

Member Vaught noted that this is a very good idea and the certification structure is crucial to adequately monitor and apply the funds received by the fines.

Executive Director Meister mentioned that it was his belief that it was important for the Board to hear this issue because there is a collective public mission to help the Commission get on with their public safety purpose, but also a very important audit and accountability function that the Board should be completely aware of.

Member Vaught further noted that the Commission has a duty not only of oversight, but also developing a comprehensive plan for funding certain facilities for these communities. The Authority has been involved in developing local facilities and there is an implication of broader purposes in this Commission.

Chairman Brandt asked Member Vaught if he and Member Poole would be willing to head a committee for oversight of this program.

Chairman Brandt asked Mr. Kelly that should grant money flow to the Commission, if he would be looking for an extension from the Authority in terms of oversight to deal with those funds and the release of them as well. Mr. Kelly stated that there is no staff and the Commission would certainly welcome any help because they will soon be awarded some grants.

Member Poole extended his gratitude and support to the Commission for their hard work and commends Mr. Kelly for his help in the matter.

*Mr. Kelly left the meeting of the Committee of the Whole at 10:35 a.m.

Mr. Patrick Evans presented the following project:

Agriculture Projects

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

Gentry Storm is requesting approval of a **One-time Final Bond Resolution** in an amount not-to-exceed **Four Hundred Eighty-Five Thousand Five Hundred Fifty Dollars** (\$485,550).

Bond proceeds will be used to finance the acquisition of approximately 130 acres of farmland located in Ash Grove Township (Shelby County).

Mr. Frampton presented the following project:

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

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

Rogers Park Montessori School is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Twenty Million Dollars** (\$20,000,000).

Bonds will be issued in one or more series and the proceeds thereof will be loaned to **Rogers Park Montessori School** (the “**Borrower**”), an Illinois not for profit corporation, to assist the Borrower in providing a portion of the funds necessary to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower’s school facilities, located at 1800 W. Balmoral Ave., Chicago, Illinois 60640 (the “**School Facility**”), including without limitation, an approximately 13,000 square foot expansion of the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the “**Project**”); (ii) refund all or a portion of the outstanding principal amount of the \$11,750,000 original principal amount Educational Facility Revenue Bonds (Rogers Park Montessori School Project) Series 2004 (the “**Prior Bonds**”); (iii) fund a debt service reserve fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; (iv) fund a capitalized interest fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; and (v) pay certain costs incurred in connection with the issuance of the Series 2014 Bonds, and the costs of refunding the Prior Bonds (collectively, the “**Financing Purposes**”).

Resolutions

Mr. Frampton presented the following resolutions:

Item 3: Item 3 is a Resolution Providing for the Issuance of Not to Exceed \$12,200,000 Principal Amount Illinois Finance Authority Revenue Bonds, Series 2014 (Lawrence Hall Youth Services); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters.

Item 4: Item 4 is a Resolution Providing for the Issuance of Not to Exceed \$20,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Dominican University); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters.

Item 5: Item 5 is a Resolution Authorizing the Amendment of the Amended and Restated Indenture of Trust between the Illinois Finance Authority and U.S. Bank, National

Association, as Trustee Relating to the Authority's Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011; and Related Matters.

Item 6: Item 6 is a Resolution Authorizing Illinois Finance Authority Development Fund, NFP to Serve as Conduit Lender on New Markets Tax Credit Loan to Fund a Portion of the Method Products Project and to Authorize Illinois Finance Authority Development Fund NFP to Submit a New Markets Tax Credit Allocation Application to CDFI Fund.

Executive Director Meister noted that in August 2013 the Authority had identified New Market Tax Credits as one additional way to meet the Authority's job creation and retention goals. In August 2013, IFA formed a not-for-profit affiliate and submitted an application to the U.S. Treasury CDFI Fund for the not-for-profit affiliate to be certified by CDFI Fund as a Community Development Entity ("CDE"). Baker Tilly was the vendor procured to work with the Authority to obtain a New Market Tax Credits allocation pursuant to a procurement authorized at the August 2013 Board Meeting. Executive Director Meister introduced Mr. Mike Ross from Baker Tilly, who serves as Baker Tilly's lead manager on this engagement to apply for a New Markets Tax Credits allocation to implement a program

Executive Director Meister then turned the discussion over to Mr. Frampton to review key terms of the Resolution under consideration. Specifically, the Resolution would authorize the Authority's not-for-profit affiliate to serve as a conduit lender on a New Market Tax Credit funded loan to Method Products Company (or its affiliates). Mr. Frampton explained the conduit structure by referencing a diagram provided on page four of the memorandum that demonstrates the conduit nature of the proposed structure. Under the proposed structure, Baker Tilly's fund, The Business Valued Advisor Fund, LLC, will loan the Authority's not-for-profit affiliate Four Million Nine Hundred Fifty Thousand Dollars (\$4,950,000) which the Authority's not-for-profit affiliate will in turn loan to the Method Products Company (or its affiliates). Method Products Company (or its affiliates) will use the loan proceeds to finance a portion of their new project in the Pullman Park neighborhood. Method is building a manufacturing facility that will cost approximately Thirty-Four Million Dollars (\$34,000,000).

As a financial consideration for originating the loan to Method Products, Baker Tilly's The Business Valued Advisors Fund will be splitting their \$50,000 fee with the Authority's CDE. In addition to closing the loan in a highly distressed community, it effectively also provides \$25,000 of seed capital for the Authority's Illinois Finance Authority Development Fund NFP to cover organization costs. No additional Authority financial resources will be necessary to close the loan. The Authority will be assigning all rights under the loan to Baker Tilly's The Business Valued Advisor Fund, LLC, and in return the Authority's not-for-profit will receive a \$25,000 closing fee and be indemnified against all risks. This resolution authorizes the Illinois Finance Authority Development Fund NFP to apply to CDFI Fund for subsequent allocations of New Markets Tax Credits through September 2015 and to move forward to close the proposed New Markets Tax Credit funded loan to Method Products Company (or its affiliates). Mr. Frampton concluded by noting that the proposed loan to Method would enable the Authority to activate its not-for-profit affiliate, originate and fund a New Markets Tax Credit loan in the only way possible without an allocation, receive a \$25,000 closing fee that would capitalize the not-for-profit affiliate, with each action serving to bolster the not-for-profit's next application for a New Market Tax Credit allocation in October 2014.

Ms. Omar presented the following resolution:

Item 7: Item 7 is a Resolution Authorizing the Illinois Finance Authority (“IFA”) to Enter into an Intergovernmental Agreement with the Metropolitan Pier and Exposition Authority (“MPEA”) to Allow Small Contractors Interested in Performing Work on MPEA’s Headquarters and Convention Center Hotel and Event Center to Access Working Capital through the IFA’s Small Contractor Bridge Program and Amending Certain Requirements of Such Program.

VIII. Other Business

None.

IX. Public Comment

None.

X. Adjournment

At the time of 10:47 a.m., Vice Chairman Goetz moved that the Committee do now adjourn until September 16, 2014, at 9:30 a.m.

Member Knox seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:
John P. Dark
Law Clerk



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, AUGUST 12, 2014
10:48 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of August in the year 2014, 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”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

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

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE**

August 12, 2014

0 YEAS

0 NAYS

10 PRESENT

E Bronner
P Fuentes
P Goetz
E Gold
P Knox

E Leonard
P Lonstein
P O’Brien
E Parish
P Pedersen

P Poole
E Tessler
P Vaught
P Zeller
P Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

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

Chairman Brandt informed those present that the Authority will be temporarily relocating its Chicago office to 160 North LaSalle Street, Suite C-800, Chicago, Illinois 60601, effective September 2, 2014. Accordingly, the next regular meeting of the Board of Directors has been rescheduled to September 16, 2014.

Chairman Brandt, Chairman from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on August 12, 2014, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on July 8, 2014 and the Financial Statements for the Month Ended July 31, 2014 were taken up for consideration.

Member Zeller moved for the adoption of the Minutes and the Financial Statements.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project:

Agriculture Projects

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

Gentry Storm is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Hundred Eighty-Five Thousand Five Hundred and Fifty Dollars (\$485,550). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 138.61 acres of farmland located in Ash Grove Township in Shelby County.

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

Member Poole seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

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

Chairman Brandt directed Mr. Frampton to present the remaining project and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project and resolutions:

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

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

Rogers Park Montessori School is requesting approval of a Final Bond Resolution in an amount not-to-exceed Twenty Million Dollars (\$20,000,000).

Bonds will be issued in one or more series and the proceeds thereof will be loaned to Rogers Park Montessori School (the "Borrower"), an Illinois not for profit corporation, to assist the Borrower in providing a portion of the funds necessary to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities, located at 1800 W. Balmoral Ave., Chicago, Illinois 60640 (the "School Facility"), including without limitation, an approximately 13,000 square foot expansion of the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "Project"); (ii) refund all or a portion of the outstanding principal amount of the \$11,750,000 original principal amount Educational Facility Revenue Bonds (Rogers Park Montessori School Project) Series 2004 (the "Prior Bonds"); (iii) fund a debt service reserve fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; (iv) fund a capitalized interest fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; and (v) pay certain costs incurred in connection with the issuance of the Series 2014 Bonds, and the costs of refunding the Prior Bonds (collectively, the "Financing Purposes").

Resolutions

Item 3: Item 3 is a Resolution Providing for the Issuance of Not to Exceed \$12,200,000 Principal Amount Illinois Finance Authority Revenue Bonds, Series 2014 (Lawrence Hall Youth Services); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters.

Item 5: Item 5 is a Resolution Authorizing the Amendment of the Amended and Restated Indenture of Trust between the Illinois Finance Authority and U.S. Bank, National Association, as Trustee Relating to the Authority's Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011; and Related Matters.

Item 6: Item 6 is a Resolution Authorizing Illinois Finance Authority Development Fund NFP to Serve as Conduit Lender on New Markets Tax Credit Loan to Fund a Portion of the Method Products Project and to Authorize Illinois Finance Authority Development Fund NFP to Submit a New Markets Tax Credit Allocation Application to CDFI Fund.

Item 7: Item 7 is a Resolution Authorizing the Illinois Finance Authority to Enter into an Intergovernmental Agreement with the Metropolitan Pier and Exposition Authority ("MPEA") to Allow Small Contractors Interested in Performing Work on MPEA's Headquarters and Convention Center Hotel and Event Center to Access Working Capital

through the Authority's Small Contractor Bridge Program and Amending Certain Requirements of Such Program.

Item 8: Item 8 is a Resolution Authorizing and Approving Necessary Assistance to the Metro East Police District Commission in Connection with the Fund Jointly Administered by the Illinois Finance Authority and the Metro East Police District Commission.

Chairman Brandt noted that Member Poole and Member Vaught will lead an effort on behalf of the Authority to work with St. Clair County State's Attorney Brendan Kelly in providing organizational assistance to the Metro East Police District Commission.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following project and resolutions: Items 2, 3, 5, 6, 7 and 8.

This project and these resolutions, having received the votes of a quorum of the Members of the Board, were declared passed and adopted, respectively.

Chairman Brandt directed Mr. Frampton to present the resolution which may have a guest to the Board.

Mr. Frampton presented the following resolution:

Resolutions

Item 4: Item 4 is a Resolution Providing for the Issuance of Not to Exceed \$20,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Dominican University); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters.

Chairman Brandt announced that Mrs. Amy McCormack, Senior Vice President for Finance and Administration of Dominican University, was present and ready to speak on behalf of the project.

Mrs. McCormack thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mrs. McCormack.

Executive Director Meister noted that Ms. Lenane, Vice President and Acting General Counsel of the Authority, is both an alumni of Dominican University and former Chair of its Board of Trustees.

Chairman Brandt noted that a number of his family members have attended Dominican University, previously known as Rosary College.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following resolution: Item 4.

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

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on the rescheduled date of September 16, 2014.

At the time of 10:57 a.m., Member Knox moved that the Board do now adjourn until September 16, 2014, at 10:30 a.m.

Member O'Brien seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:

Brad R. Fletcher

Assistant Secretary of the Board



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
SPECIAL MEETING
MONDAY, SEPTEMBER 22, 2014
11:06 A.M.**

I. Call to Order & Roll Call

At a special meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held in Hearing Room N – 808, located at 160 North LaSalle Street, Suite C-800, Chicago, Illinois 60601, on the fourth Monday of September in the year 2014, 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”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 11 Present.

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

Having been absent when the Quorum Roll Call for Attendance was taken, Member Pedersen was recorded as present at the time of 11:13 a.m.

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE**

September 22, 2014

0 YEAS

0 NAYS

12 PRESENT

P	Bronner	E	Leonard	P	Poole (VIA AUDIO CONFERENCE)
P	Fuentes	P	Lonstein	E	Tessler
P	Goetz (VIA AUDIO CONFERENCE)	P	O’Brien	P	Vaught
P	Gold	P	Parish	E	Zeller
P	Knox	P	Pedersen (ADDED)	P	Mr. Chairman (VIA AUDIO CONFERENCE)

E – Denotes Excused Absence

II. Chairman's Remarks

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

Chairman Brandt thanked Members of the Board for convening for this special meeting.

III. Message from the Executive Director

Executive Director Meister thanked Members of the Board for their commitment to public service.

IV. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project:

Business and Industry Projects

Item 1: Item 1 is a request for Industrial Revenue Bond financing.

Freedman Seating Company, Freedman Building L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Ten Million Dollars** (\$10,000,000).

Bond proceeds will be loaned to **Freedman Seating Company**, an Illinois corporation, and Freedman Building L.L.C., FSLH, LLC, FSLH, LLC - Series 4545, FSLH, LLC - Series 4501, FSLH, LLC - Series 7346 and FBSA LLC, each an Illinois limited liability company (collectively, the "**Borrower**"), in order to assist the Borrower in providing a portion of the funds necessary to (i) finance or refinance costs of acquisition, renovation, construction and equipping of the Borrower's existing seating manufacturing facilities, and related manufacturing equipment, located at 4501 and 4545 West Augusta Blvd., Chicago, Illinois (the "**New Money Project**"), and (ii) refund the outstanding principal amount of the Authority's Industrial Development Revenue and Refunding Bonds (Freedman Seating Company Project), Series 2012 (the "**Series 2012 Bonds**") (and together with the New Money Project described above, collectively, the "**Financing Purposes**").

Mr. Frampton noted that the combined aggregate principal amount of the Company's outstanding IFA Series 2012 Bonds and the proposed IFA Series 2014 Bonds will not exceed \$10 million as of the issuance date of the Series 2014 Bonds, as applicable to Small Issue Industrial Development Revenue Bond project borrowers under existing Internal Revenue Code provisions.

Material changes to the Financing Purposes since receiving Preliminary Bond Resolution approval in May 2014 include the plan of finance now contemplating the aforementioned refunding the IFA Series 2012 Bonds (approximately \$5.068MM). Additionally, the IFA fee to be paid at closing by the Borrower has now increased as a result of the contemplated refunding.

Member O'Brien moved for the adoption of the following project: Item 1.

Member Parish seconded the motion.

And on that motion, a vote was taken resulting as follows: 11 Yeas; 0 Nays; 0 Answering Present.

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

Chairman Brandt directed Mr. Frampton to present the resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following resolutions:

Resolutions

Item 2: Item 2 is a Resolution Authorizing the Execution and Delivery of a Second Amendment to Modification Agreement relating to the Adjustable Demand Revenue Bond, Series 2000 (Slovak American Charitable Association Project) of the Illinois Finance Authority Providing for the Extension of Current Interest Rate Holding Period and a Reduced Interest Rate for the Bond, and Related Amendments; and Related Matters.

Mr. Frampton stated that approval of this request will enable Slovak American Charitable Association to extend its initial interest rate period, at a lower rate, until September 5, 2019, as approved by MB Financial Bank, N.A. The scheduled final maturity date will remain unchanged (i.e., June 1, 2034).

Item 3: Item 3 is a Resolution Authorizing the Execution and Delivery of a First Amendment to Bond Purchase and Loan Agreement relating to the Economic Development Revenue Bonds, Series 2005 (MNM Real Estate Ventures, LLC Project) of the Illinois Finance Authority Providing for a Reduced Interest Rate for the Bond; and Related Matters.

Mr. Frampton stated that approval of this request will enable MNM Real Estate Ventures, LLC to lower its interest rate on the Series 2005 Bonds, as approved by First Merit Bank, N.A.

Item 4: Item 4 is a Resolution Amending Resolution Authorizing the Issuance of Illinois Finance Authority Educational Facility Revenue Bonds (Rogers Park Montessori School Project), Series 2014.

Mr. Frampton explained that since receiving Final Bond Resolution approval in August 2014, the underwriter was able to successfully price the Educational Facility Revenue Bonds (Rogers Park Montessori School Project), Series 2014 as a single series of bonds and without the originally contemplated subordinate series of bonds being issued. Approval of this request will ratify and authorize the issuance of the Educational Facility Revenue Bonds (Rogers Park Montessori School Project), Series 2014 as a single series of bonds.

Member Gold moved for the adoption of the following resolutions: Item 2, 3 and 4.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 12 Yeas; 0 Nays; 0 Answering Present.

These resolutions, having received the votes of a quorum of the Members of the Board, were declared adopted.

V. Other Business

None.

VI. Public Comment

None.

VII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on October 16, 2014.

At the time of 11:16 a.m., Member Bronner moved that the Board do now adjourn until October 16, 2014, at 10:30 a.m.

Member Fuentes seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:

Brad R. Fletcher

Assistant Secretary of the Board

Item 2
FINANCIAL ANALYSIS
October 16, 2014

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS
MONTHLY AND ANNUAL SUMMARY AS OF SEPTEMBER 30, 2014

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. Annual Operating Revenues totaled \$921 thousand, while annual Net Non-Operating Revenues totaled \$28 thousand. Total annual combined revenues of \$949 thousand are \$155 thousand or 14.1% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees for the 1st quarter, at \$501 thousand, are \$121 thousand or 19.4% below budget. The year to date revenue accrued for interest due from the former IRBB local governments totaled \$281 thousand. Annual application fees of \$20 thousand are 92% higher than budget. Annual net investment income of \$28 thousand is 47% below budget, but on pace to double FY14's ending total of \$62 thousand (with all factors remaining constant)¹
- b. In August, major closings included the *University of Chicago* and the *Carle Foundation* which generated fees of \$211 and \$41 thousand respectively. In September, the Authority received closing fees from *Rogers Park Montessori* and *Freedman Seating* of \$67 and \$64 thousand respectively. September net investment income of \$2 thousand was sharply lower than August returns of \$37 thousand due to liquidity needs to fund the DACA loan program, the closing of IRBB Reserve and other Ziegler-managed IFA accounts and moving funds to Clear Arc.
- c. Annual Operating Expenses of \$905 thousand are \$190 thousand or 17.4% lower than budget being driven primarily by lower than expected employee related expenses and professional service costs. Year to date, employee expenses are \$76 thousand or 14% below budget, professional services are \$96 thousand or 26% below budget and occupancy costs are \$11 thousand or \$15% below budget.
- d. In September, total professional services were down \$83 thousand from August mostly due to the payment of paying agent fees for the former IRBB local governments in August. Other factors include lower legal fees from August and September marked the first month after the termination of the Chicago office lease at Prudential.
- e. The General Fund showed an Annual Net Income of \$161 thousand, which is directly attributable to the transfer of the remaining IRBB reserve funds and lower overall expenses. So far, the only month showing a net loss was July where we had a net loss of \$33 thousand.

¹Operating 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 SEPTEMBER 30, 2014 (CONT'D)**

2. ALL FUNDS ASSETS, LIABILITIES AND NET POSITION

- a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of just over \$52 million (consisting of cash, investments, and receivables) shows an increase in net position of over \$2 million, due to the IRBB defeasance and subsequent transfer of equity to the Local Government Borrowing Fund in June. In total, the fund has over \$51 million in unrestricted assets.
- b. Other major funds, new as of June 30th are the Ambulance and Fire Truck Revolving Loan Funds.
- c. The Component Units (IEPA, IMDC, NIU, NIUF) reporting will be updated for October.
- d. The Agency or Fiduciary Funds for IFA include the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund.

3. FY14 FINANCIAL STATEMENT AUDIT and GASB UPDATE

- a. The FY14 financial audit is still in progress with the auditors currently reviewing IFA financial statements. Footnote disclosures and other components of the Authority's first CAFR will be submitted within the next week.



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL FUND
FOR FISCAL YEAR 2015 AS OF SEPTEMBER 30, 2014
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	2015 BUDGET VARIANCE (\$)	2015 BUDGET VARIANCE (%)
Operating Revenues:							
Closing Fees	66,825	295,753	138,542	501,120	621,750	(120,630)	-19.4%
Annual Fees	10,367	42,720	31,533	84,620	84,375	245	0.3%
Administrative Service Fees	-	10,000	15,000	25,000	28,750	(3,750)	-13.0%
Application Fees	1,100	14,328	4,300	19,728	10,251	9,477	92.4%
Miscellaneous Fees	62	-	-	62	15,000	(14,938)	-99.6%
Interest Income-Loans	120,406	67,709	102,031	290,146	289,958	188	0.1%
Other Revenue	272	291	-	563	1,200	(637)	-53.1%
Total Operating Revenue:	\$ 199,032	\$ 430,801	\$ 291,406	\$ 921,239	\$ 1,051,284	\$ (130,045)	-12.4%
Operating Expenses:							
Employee Related Expense	158,165	155,946	152,957	467,068	542,769	(75,701)	-13.9%
Professional Services	2,882	179,754	97,492	280,128	376,245	(96,117)	-25.5%
Occupancy Costs	26,485	26,590	9,247	62,322	72,912	(10,590)	-14.5%
General & Administrative	28,707	28,568	26,718	83,993	83,575	418	0.5%
Depreciation and Amortization	3,847	3,847	3,847	11,541	20,000	(8,459)	-42.3%
Total Operating Expense	\$ 220,086	\$ 394,705	\$ 290,261	\$ 905,052	\$ 1,095,501	\$ (190,449)	-17.4%
Operating Income(Loss)	\$ (21,054)	\$ 36,096	\$ 1,145	\$ 16,187	\$ (44,217)	\$ 60,404	136.6%
Nonoperating Revenues (Expenses):							
Bad Debt Recoveries and Adjustments	-	-	-	-	3,750	(3,750)	-100.0%
Interest and Investment Income	26,997	34,457	19,837	81,291	125,150	(43,859)	-35.0%
Realized Gain (Loss) on Sale of Investment	-	(445)	(19)	(464)	(12,500)	12,036	-96.3%
Net Appreciation (Depr) in fair value of Investment	(38,575)	3,960	(17,901)	(52,516)	(62,500)	9,984	-16.0%
Total Nonoperating Revenues (Expenses)	\$ (11,578)	\$ 37,972	\$ 1,917	\$ 28,311	\$ 53,900	\$ (25,589)	-47.0%
Net Income (Loss) Before Transfers	\$ (32,632)	\$ 74,068	\$ 3,062	\$ 44,498	\$ 9,683	\$ 34,815	359.5%
Transfers:							
Transfers in from other funds	-	2,263,041	116,837	2,379,878	-	-	0.0%
Transfers out to other funds	-	(2,263,041)	-	(2,263,041)	-	-	0.0%
Total Transfers In (Out)	\$ -	\$ -	\$ 116,837	\$ 116,837	\$ -	\$ -	0.0%
Net Income (Loss)	\$ (32,632)	\$ 74,068	\$ 119,899	\$ 161,335	\$ 9,683	\$ 34,815	-359.5%



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND AGENCY FUND ACTIVITY
FOR FISCAL YEAR 2015 AS OF SEPTEMBER 30, 2014
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
Operating Revenues:						
Closing Fees	501,120	-	-	-	526,120	25,000
Annual Fees	84,620	-	-	-	84,620	-
Administrative Service Fees	25,000	-	-	-	25,000	-
Application Fees	19,728	-	-	-	19,728	-
Miscellaneous Fees	62	165,618	-	-	165,680	-
Interest Income-Loans	290,146	-	-	12,401	302,547	-
Other Revenue	563	-	-	-	563	-
Total Operating Revenue:	\$ 921,238	\$ 165,618	\$ -	\$ 12,401	\$ 1,124,257	\$ 25,000
Operating Expenses:						
Employee Related Expense	467,069	-	-	-	467,069	-
Professional Services	280,128	-	-	2,378	282,506	-
Occupancy Costs	62,322	-	-	-	62,322	-
General & Administrative	83,993	-	-	-	83,993	-
Depreciation and Amortization	11,541	-	-	-	11,541	-
Total Operating Expense	\$ 905,053	\$ -	\$ -	\$ 2,378	\$ 907,431	\$ -
Operating Income(Loss)	\$ 16,185	\$ 165,618	\$ -	\$ 10,024	\$ 216,827	\$ 25,000
Nonoperating Revenues (Expenses):						
Interest Expense	-	-	-	(1,071)	(1,071)	-
Interest and Investment Income	81,291	13,848	11,341	65,342	171,822	-
Realized Gain (Loss) on Sale of Investment	(463)	(16)	(17)	(1,422)	(1,918)	-
Net Appreciation (Depr) in fair value of	(52,516)	(10,950)	(8,721)	(40,635)	(112,822)	-
Total Nonoperating Revenues (Expenses)	\$ 28,312	\$ 2,882	\$ 2,603	\$ 22,214	\$ 56,011	\$ -
Net Income (Loss) Before Transfers	\$ 44,498	\$ 168,500	\$ 2,603	\$ 32,237	\$ 272,838	\$ 25,000
Transfers:						
Transfers in from other funds	2,379,878	-	-	-	2,379,878	-
Transfers out to other funds	(2,263,041)	-	-	(116,837)	(2,379,878)	-
Total Transfers In (Out)	\$ 116,837	\$ -	\$ -	\$ (116,837)	\$ -	\$ -
Net Income (Loss)	\$ 161,335	\$ 168,500	\$ 2,603	\$ (84,600)	\$ 272,838	\$ 25,000



ILLINOIS FINANCE AUTHORITY
BALANCE SHEET
IFA FUNDS AND AGENCY FUND ACTIVITY
 September 30, 2014
 (PRELIMINARY AND UNAUDITED)

Item 2

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
Assets and Deferred Outflows:						
Current Assets:						
Unrestricted:						
Cash & cash equivalents	7,880,638	-	-	1,020,640	8,901,278	-
Investments	4,169,039	-	-	4,242,945	8,411,984	-
Accounts receivable, Net	157,679	-	-		157,679	-
Loans receivables, Net	747,041	-	-	21,000	768,041	-
Accrued interest receivable	251,541	-	-	39,392	290,933	-
Bonds and notes receivable	2,003,000	-	-		2,003,000	-
Due from other funds	61,060	-	-	30,109	91,169	-
Due from other local government agencies		-	-	3,000,000	3,000,000	-
Prepaid Expenses	209,916	-	-		209,916	-
Total Current Unrestricted Assets	\$ 15,479,914	\$ -	\$ -	\$ 8,354,086	\$ 23,834,000	\$ -
Restricted:						
Cash & Cash Equivalents	1,280,252	276,852	36,160	2,022,033	3,615,297	67,076
Investments	-	1,317,430	1,332,329	291,913	2,941,672	-
Accrued interest receivable	-	15,907	10,419	4,893	31,219	-
Loans receivables, Net	-	345,558	42,500	86,425	474,483	-
Total Current Restricted Assets	\$ 1,280,252	\$ 1,955,747	\$ 1,421,408	\$ 2,405,264	\$ 7,062,671	\$ 67,076
Total Current Assets	\$ 16,760,166	\$ 1,955,747	\$ 1,421,408	\$ 10,759,350	\$ 30,896,671	\$ 67,076
Non-current Assets:						
Unrestricted:						
Investments	13,003,184	-	-	8,235,683	21,238,867	-
Loans receivables, Net	1,924,722	-	-	125,999	2,050,721	-
Bonds and notes receivable	20,682,037	-	-		20,682,037	-
Total Noncurrent Unrestricted Assets	\$ 35,609,943	\$ -	\$ -	\$ 8,361,682	\$ 43,971,625	\$ -
Restricted:						
Cash & Cash Equivalents	-	165,702	1	18,539,000	18,704,703	-
Investments	-	3,985,049	2,445,610	449,488	6,880,147	-
Loans receivables, Net	-	15,622,269	321,600	1,495,933	17,439,802	-
Total Noncurrent Restricted Assets	\$ -	\$ 19,773,020	\$ 2,767,211	\$ 20,484,421	\$ 43,024,652	\$ -
Capital Assets						
Capital Assets	836,687	-	-	-	836,687	-
Accumulated Depreciation	(726,348)	-	-	-	(726,348)	-
Total Capital Assets	\$ 110,339	\$ -	\$ -	\$ -	\$ 110,339	\$ -



ILLINOIS FINANCE AUTHORITY
BALANCE SHEET
IFA FUNDS AND AGENCY FUND ACTIVITY
 September 30, 2014
 (PRELIMINARY AND UNAUDITED)

Item 2

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
Total Noncurrent Assets	\$ 35,720,282	\$ 19,773,020	\$ 2,767,211	\$ 28,846,103	\$ 87,106,616	\$ -
Total Assets	\$ 52,480,448	\$ 21,728,767	\$ 4,188,619	\$ 39,605,453	\$ 118,003,287	\$ 67,076
Liabilities:						
Current Liabilities:						
Payable from unrestricted current assets:						
Accounts payable	94,383	-	-	-	94,383	-
Accrued liabilities	93,480	-	-	-	93,480	-
Due to employees	89,452	-	-	-	89,452	-
Due to other funds	73,765	-	-	17,403	91,168	-
Other liabilities	-	-	-	-	-	42,076
Unearned revenue, net of accumulated amortization	46,255	-	-	-	46,255	-
Total Current Liabilities Payable from Unrestricted	\$ 397,335	\$ -	\$ -	\$ 17,403	\$ 414,738	\$ 42,076
Current Assets						
Payable from restricted current assets:						
Due to primary government	-	1,430,544	94,320	-	1,524,864	-
Accrued interest payable	-	-	-	3,508	3,508	-
Current portion of long term debt	-	-	-	59,390	59,390	-
Total Current Liabilities Payable from Restricted Current	\$ -	\$ 1,430,544	\$ 94,320	\$ 62,898	\$ 1,587,762	\$ -
Assets						
Total Current Liabilities	\$ 397,335	\$ 1,430,544	\$ 94,320	\$ 80,301	\$ 2,002,500	\$ 42,076
Noncurrent Liabilities						
Payable from unrestricted noncurrent assets:						
Accrued liabilities	22,222	-	-	-	22,222	-
Total Noncurrent Liabilities Payable from Unrestricted	\$ 22,222	\$ -	\$ -	\$ -	\$ 22,222	\$ -
Noncurrent Assets						
Payable from restricted noncurrent assets:						
Due to primary government	-	15,622,269	321,600	-	15,943,869	-
Noncurrent portion of long term debt	-	-	-	369,080	369,080	-
Total Noncurrent Liabilities Payable from Restricted	\$ -	\$ 15,622,269	\$ 321,600	\$ 369,080	\$ 16,312,949	\$ -
Assets						
Total Noncurrent Liabilities	\$ 22,222	\$ 15,622,269	\$ 321,600	\$ 369,080	\$ 16,335,171	\$ -
Total Liabilities	\$ 419,557	\$ 17,052,813	\$ 415,920	\$ 449,381	\$ 18,337,671	\$ 42,076



ILLINOIS FINANCE AUTHORITY
BALANCE SHEET
IFA FUNDS AND AGENCY FUND ACTIVITY
 September 30, 2014
 (PRELIMINARY AND UNAUDITED)

Item 2

Net Position:

Net Investment in Capital Assets

Restricted

Unrestricted

Current Change in Net Position

Total Net Position

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
	110,339	-	-	-	110,339	-
	-	4,507,453	3,770,096	22,418,033	30,695,582	-
	51,789,217	-	-	16,822,683	68,611,900	-
	161,335	168,500	2,603	(84,600)	247,838	25,000
	\$ 52,060,891	\$ 4,675,953	\$ 3,772,699	\$ 39,156,116	\$ 99,665,659	\$ 25,000



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: October 16, 2014
Re: Monthly Procurement Report

ACTIVE SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Debt Management Software Application	To be provided for November 2014 Board Meeting (<i>IL Procure Code</i>). <i>Solicitation was cancelled and reissued due to all bidders being deemed non-responsive. Proposals are due 10/22/14.</i>	3	12/14-11/17	TBD	N/A	N/A	N/A
Accounting and Auditing Services Pool	To be provided for November 2014 Board Meeting (<i>IFA</i>). <i>A follow up RFP will be issued for specialty audit services; debt verification and tax support services. No responses were received for these categories.</i>	3	11/14-10/17	\$ 225,000	N/A	N/A	N/A

CANCELLED SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Energy Efficiency Lease Financing Opportunity	All bidders were deemed non-responsive (<i>IL Procure Code</i>) . <i>Notice addendum posted 9/12/14 on the Illinois Procurement Bulletin.</i>	NTE 10	N/A	N/A	N/A	N/A	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 Prior Contract Expense
Investment Advisor Services	Per BOD Direction: To be provided for November 2014 Board Meeting (<i>IFA</i>)	3	12/14-11/17	\$ -	N/A	N/A	N/A
Investment Management Services	Per BOD Direction: To be provided for December 2014 Board Meeting (<i>IFA</i>)	2	01/15-12/17	\$ -	10bps/ Avg Cap	Est. \$50-75,000	\$ -
Payroll and HR Benefit Services	To be provided for January 2015 Board Meeting (<i>IL Procure Code</i>)	5	07/15-06/20	\$ 850,000	\$ 233,000	\$ 170,000	\$ 170,000
Accounting Software Maintenance and Support	To be provided for January 2015 Board Meeting (<i>IL Procure Code</i>)	3	03/15-02/18	\$ 148,500	\$ 49,500	\$ 49,500	\$ 49,500
Loan Management and Servicing	Current Vendor: Mabsco Capital Inc. (<i>IL Procure Code</i>)	3	07/15-06/18	\$ 300,000	\$ 300,000	\$ 158,662	\$ 52,887



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: October 16, 2014
Re: Monthly Procurement Report

Insurance Broker	Current Vendor: Mesirow Insurance Services, Inc. <i>(IL Procure Code)</i>	3	07/15-06/18	\$ 68,700	\$ 68,700	\$ 68,700	\$ 22,900
Legislative Services	Current Vendor: Howard Kenner Gov't Consulting <i>(IL Procure Code)</i>	3	07/15-06/18	\$ 180,000	\$ 180,000	\$ 180,000	\$ 60,000
Marketing Services	Current Vendors: Marj Halpern & Hill Knowlton <i>(IL Procure Code)</i>	2	07/15-06/18	\$ 300,000	\$ 300,000	\$ 179,276	\$ 89,638

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

UPCOMING RENEWALS

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Energy Efficiency Projects-No Fee to IFA	Hanson Professionals Services, Inc. <i>(IFA)</i>	5	02/15-02/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Siemens Industry Inc. <i>(IFA)</i>	5	03/15-03/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Johnson Controls, Inc. <i>(IFA)</i>	5	10/15-10/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Hill Mechanical Group <i>(IFA)</i>	5	10/15-10/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Utilities Dynamics, Inc. <i>(IFA)</i>	5	10/15-10/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Ameresco, Inc. <i>(IFA)</i>	5	11/15-11/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Honeywell International, Inc. <i>(IFA)</i>	5	11/15-11/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Kenny Construction <i>(IFA)</i>	5	11/15-11/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Noresco, LLC <i>(IFA)</i>	5	11/15-11/20	\$ -	N/A	N/A	N/A
Insurance Broker for Energy Efficiency Projects-No Fee to IFA	Mesirow Insurance Services, INC <i>(IFA)</i>	5	10/15-10/20	\$ -	N/A	N/A	N/A
Insurance Broker for Energy Efficiency Projects-No Fee to IFA	AON Risk Services Central, INC. <i>(IFA)</i>	5	11/15-11/20	\$ -	N/A	N/A	N/A

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

Per discussion with the Procurement Policy Board, Chief Procurement Officer, and the 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.

ILLINOIS PROCUREMENT CODE ACTIVITIES (NO BOARD ACTION NEEDED)

Services Provided	Vendor	Initial/ Renewal Term (Yrs)	Start/End	Total Final NTE Value	Total Current Contract NTE Value	Total Current Contract Expense	Avg Yrly Current Contract Expense
Financial Services/MSRB & EMMA Reporting	Bloomberg Finance L.P.- <i>Contract Executed</i>	1	09/14-09/15	\$ 24,000	N/A	N/A	N/A



ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: October 16, 2014
Re: Monthly Procurement Report

Shredding of confidential documents	Paper Tiger Document Solutions- <i>Currently reviewing for renewal</i>	1	11/13-10/14	\$ 4,500	\$ 4,500	\$ 4,500	N/A
Post card mailings for IFA's Aug/Oct 2014 moves	Allegra Marketing Print Mail	1	08/14-08/15	\$ 2,115	\$ 2,115	- \$ -	-

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher
Date: October 16, 2014
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 \$509,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$728,500**
- **Calendar Year Summary:** (as of October 16, 2014)
 - Volume Cap: \$12,000,000
 - Volume Cap Committed: \$2,948,713
 - Volume Cap Remaining: \$9,051,287
 - Average Farm Acreage: 56
 - Number of Farms Financed: 14
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - Convey tax-exempt status
 - Will use dedicated 2014 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel: Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A. Project Number: **A-FB-TE-CD-8697**
Borrower(s): **Helregel, Adam E.**
Borrower Benefit: First Time Land Buyer
Town: Willow Hill, IL
IFA Bond Amount: **\$150,000**
Use of Funds: Farmland – 10 acres of farmland including buildings & grain bins
Purchase Price: \$300,000 / (\$88,633/\$8,663 per ac - \$61,367 bldgs. & bins)
%Borrower Equity 5%
% USDA Farm Service Agency 45% (*Subordinate Financing*)
%IFA 50%
Township: Ste. Marie
Counties/Regions: Jasper / Southeastern
Lender/Bond Purchase: First Financial Bank NA / Jeff Wilson
Legislative Districts: Congressional: 15
State Senate: 55
State House: 109

Principal shall be paid monthly in installments determined pursuant to a Fifteen year amortization schedule calculated at the initial interest rate, with the first principal payment date to begin one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to begin one month from the date of closing with the fifteenth and final payment of all outstanding balances due fifteen years from the date of closing. The note will have a 15-year amortization and maturity.

B. Project Number: **A-FB-TE-CD-8701**
Borrower(s): **Wenger, Rollin**
Borrower Benefit: First Time Land Buyer
Town: Fairbury, IL
IFA Bond Amount: **\$137,500**
Use of Funds: Farmland – 25 acres of farmland
Purchase Price: \$275,000 / \$11,000 per acre
%Borrower Equity 5%
% USDA Farm Service Agency 45% (*Subordinate Financing*)
%IFA 50%
Township: Forrest
Counties/Regions: Livingston / North Central
Lender/Bond Purchase: Bank of Pontiac / Brad Brown
Legislative Districts: Congressional: 16
State Senate: 53
State House: 105

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule calculated at the initial interest rate, with the first principal payment date to begin on March 1, 2015. Accrued interest on the unpaid balance hereof shall be paid annually with the first interest payment date to begin on March 1, 2015 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

C. Project Number:	A-FB-TE-CD-8703
Borrower(s):	Elliott, Jacob Cody
Borrower Benefit:	First Time Land Buyer
Town:	New Boston, IL
IFA Bond Amount:	\$441,000
Use of Funds:	Farmland – 197 acres of farmland including buildings & grain bins
Purchase Price:	\$780,000 / (\$441,000 /\$3,756 per ac - \$40,000 bldgs. & bins)
%Borrower Equity	5%
% USDA Farm Service Agency	38.46% (<i>Subordinate Financing</i>)
%IFA	56.54%
Township:	Eliza
Counties/Regions:	Mercer / Northwest
Lender/Bond Purchase:	Central State Bank / Ryan Cox
Legislative Districts:	Congressional: 17
	State Senate: 37
	State House: 74

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule calculated at the initial interest rate, with the first principal payment date to begin on December 31, 2015. Accrued interest on the unpaid balance hereof shall be paid annually with the first interest payment date to begin on December 31, 2015 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.



NON-CONDUIT

\$500,000

BERKELEY BOEHNE

October 16, 2014

AGRI-DEBT GUARANTEE

REQUEST	<p>Purpose: Provide 85% loan guarantee in favor of Resource Bank, N.A. (the “Bank”) to refinance the Borrower’s debts.</p> <p>Project Description: This proposed loan of \$500,000 is to refinance Berk Boehne’s real estate debt with 1st Farm Credit. Along with concurrent \$500,000 loan to Vaughn Boehne (Berk’s brother) that would also be IFA-guaranteed under a separate application, Resource Bank will refinance a total of \$1,000,000 of existing real estate debt with 1st Farm Credit. Resource Bank, N.A. will finance all debt above the guarantee amount.</p> <p>Program Product Type: Agri-Debt Guarantee</p> <p>State Treasurer’s Funds at Risk: \$425,000</p> <p>Conditions: 1) Annual Profit/Loss statements and annual Balance Sheets provided to IFA and Lender for the Borrower and each Guarantor. 2) No capital expenditures without IFA and Bank approval. 3) Updated financial statements for the Borrower or any Guarantors, if deemed necessary in the sole judgment of IFA staff, with results demonstrating no materially adverse changes in financial position. 4) IFA and the Bank shall be secured by a First Mortgage on the subject 113.61 acre property.</p>								
BOARD ACTIONS	<p>Final Resolution – 85% Loan Guarantee</p> <p>Voting Record: None prior</p>								
MATERIAL CHANGES	<p>N/A</p>								
JOB DATA	<table border="0"> <tr> <td>N/A</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	N/A	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected
N/A	Current jobs	N/A	New jobs projected						
N/A	Retained jobs	N/A	Construction jobs projected						
BORROWER DESCRIPTION	<ul style="list-style-type: none"> ● Type of entity: Sole Proprietorship ● Location: Shabbona, IL/DeKalb County/Northeast Region ● What does the entity do: Grain & Livestock Farming ● What will new project facilitate: Refinancing Borrower’s real estate debt 								
PROPOSED STRUCTURE	<p>Originating Bank: Resource Bank, N.A. (“Bank”)</p> <p>Collateral: 113.61 acres of farmland</p> <p>Collateral Position: 1st (Cross-Collateralized with Vaughn Boehne’s IFA Guarantee request)</p> <p>Maturity: 30 years</p> <p>Interest Rate: 4.75% Fixed for initial 5 years (See confidential section)</p>								
SOURCES AND USES	<table border="0"> <tr> <td>IFA Guarantee:</td> <td><u>\$500,000</u></td> <td>Real Estate</td> <td><u>\$500,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$500,000</u></td> <td>Total</td> <td><u>\$500,000</u></td> </tr> </table>	IFA Guarantee:	<u>\$500,000</u>	Real Estate	<u>\$500,000</u>	Total	<u>\$500,000</u>	Total	<u>\$500,000</u>
IFA Guarantee:	<u>\$500,000</u>	Real Estate	<u>\$500,000</u>						
Total	<u>\$500,000</u>	Total	<u>\$500,000</u>						
RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>								

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 16, 2014**

Project: Berkeley Boehne

STATISTICS

Project Number: A-AD-GT-8707	Amount: \$500,000
Type: Agri-Debt Guarantee	IFA Staff: Patrick Evans
County/Region: DeKalb/Northeast	City: Shabbona

BOARD ACTION

Final Resolution - 85% Loan Guarantee	Credit Review Committee recommends approval.
State Treasurer's Reserve Funds at risk: \$425,000	Extraordinary conditions: See p. 1 for conditions.

VOTING RECORD

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

PURPOSE

Use of proceeds: Refinance the Borrower's existing debt.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a Bank loans to Illinois farmers and agribusiness owners. The Agri-Debt Guarantee Program is available to assist farmers in refinancing and restructuring their debts. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program. These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps IFA borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Guaranteed Loan	<u>\$500,000</u>	Uses: Refinance Real Estate	<u>\$500,000</u>
Total	<u>\$500,000</u>		<u>\$500,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	1 st Real Estate mortgage on 113.61 acres of farmland
Structure:	30 year term and amortization.
Interest Mode:	Fixed for initial 5 years
Credit Enhancement:	IFA 85% Guarantee
Personal Guarantees/ Guarantors:	Berkeley & Lindsey Boehne, Vaughn & Audra Boehne, Shabbona Farms, LLC, Vaughn Boehne Farms, LLC, Berk Boehne Farms, LLC and Boehne Trucking, LLC
Maturity:	30 Years
Estimated Closing Date:	October 30, 2014

PROJECT/BUSINESS SUMMARY

Character: Berk Boehne is a young farmer in his mid-30. Berk, along with his older brother (Vaughn, who is concurrently requesting a \$500,000 IFA Guaranteed Loan from Resource Bank) jointly operate a 2,100 acre grain farming operation. Their operation consists of 65% corn and 35% soybeans. They are also involved in a hog facility which is leased out and a trucking business which they manage. Berk is either directly or indirectly involved in the following relationships:

1. **Berkeley & Lindsey Boehne**, Individually
2. **Vaughn & Audra Boehne**, Individually
3. **Vaughn Boehne Farms, LLC**, operating entity (a subsidiary of **Boehne Farms of Shabbona, LLC**). This entity was originated to capitalize on the government programs.
4. **Berk Boehne Farms, LLC**, operating entity (a subsidiary of **Boehne Farms of Shabbona, LLC**). This entity was originated to capitalize on the government programs.
5. **Boehne Farms Trucking, LLC**, the trucking entity

The Boehne brothers (Berk and Vaughn) are managers of the above entities. According to Resource Bank, they are considered good farmers having average or above yields. Also, they are both involved in the community with Berk being a member of the Board of Directors for the DeKalb County Farm Bureau and Vaughn serving as the local School Board President.

Condition: IFA's guarantee of this request will be based upon the Bank obtaining a 1st mortgage on the subject 113.61 acre property. A title policy will be required for support of the 1st mortgage. The note will be a 30 year amortizing note with interest rates adjusting every 5 years at 3% over the 5 year FHLB rate. The initial interest rate will be 4.75%. The Bank will obtain annual financial statements on the Borrower and Guarantor. The Bank is encouraging the Borrower to incorporate a farm management accounting system like FBFM into the operation. FBFM records would allow the individual a tool to better manage his assets. ("FBFM" is the Farm Business Farm Management Program, a cooperative educational service program offered through the University of Illinois at Urbana-Champaign's Department of Agriculture and Consumer Economics. FBFM also provides access to trained farm business analysis field staff – see www.fbfm.aces.uiuc.edu .)

Rationale: The proposed IFA Guaranteed Loan will refinance the Borrower's existing real estate loans at a lower rate and extend the amortization. The lender will be Resource Bank N.A. The Borrower's current lenders are 1st Farm Credit and American Midwest Bank. Through the consolidation and extension of the amortization the cash flow of this operation will improve.

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Berkeley Boehne
Project Location: 2081 Houghtby Road, Shabbona, IL 60550
Collateral: 113.61 Acres
Ownership: Berkeley Boehne

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	The Clausen Group, LLP	DeKalb, IL	Bob Clausen
Appraiser:	Akers Group Appraisal Services, Inc.	DeKalb, IL	Robert T. Meriman
Originating Bank:	Resource Bank, N.A.	Shabbona, IL	Joe Bothe
Bank Counsel:	TBD		
IFA Advisors:	N/A		
IFA Counsel:	Miller Hall & Triggs LLC	Peoria, IL	Richard Joseph

LEGISLATIVE DISTRICTS

Congressional: 16
State Senate: 45
State House: 90



NON-CONDUIT

\$500,000

VAUGHN BOEHNE

October 16, 2014

AGRI-DEBT GUARANTEE

<p>REQUEST</p>	<p>Purpose: Provide 85% loan guarantee in favor of Resource Bank, N.A. (the “Bank”) to refinance the Borrower’s debts.</p> <p>Project Description: This proposed loan of \$500,000 is to refinance Vaughn Boehne’s real estate debt with 1st Farm Credit. Along with \$500,000 loan to Berk Boehne, (Vaughn’s brother) that would also be IFA-guaranteed under a separate application, Resource Bank will refinance a total of \$1,000,000 of existing 1st Farm Credit real estate loans. Resource Bank, N.A. will finance all debt above the IFA guarantee amount.</p> <p>Program Product Type: Agri-Debt Guarantee</p> <p>State Treasurer’s Funds at Risk: \$425,000</p> <p>Conditions: 1) Annual Profit/Loss statements and annual Balance Sheets provided to IFA and Lender for the Borrower and each Guarantor. 2) No capital expenditures without IFA and Bank approval. 3) Updated financial statements for the Borrower or any Guarantors, if deemed necessary in the sole judgment of IFA staff, with results demonstrating no materially adverse changes in financial position. 4) IFA and the Bank shall be secured by a First Mortgage on the subject 113.61 acre property.</p>								
<p>BOARD ACTIONS</p>	<p>Final Resolution – 85% Loan Guarantee</p> <p>Voting Record: None prior</p>								
<p>MATERIAL CHANGES</p>	<p>N/A</p>								
<p>JOB DATA</p>	<table border="0"> <tr> <td>N/A</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	N/A	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected
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<p>BORROWER DESCRIPTION</p>	<ul style="list-style-type: none"> ● Type of entity: Sole Proprietorship ● Location: Shabbona, IL/DeKalb County/ Northeast Region ● What does the entity do: Grain & Livestock Farming ● What will new project facilitate: Refinancing Borrower’s real estate debt 								
<p>PROPOSED STRUCTURE</p>	<p>Originating Bank: Resource Bank, N.A. (“Bank”)</p> <p>Collateral: 113.61 acres of farmland</p> <p>Collateral Position: 1st / (Cross-Collateralized with Berk Boehne’s IFA Guarantee request)</p> <p>Maturity: 30 years</p> <p>Interest Rate: 4.75% Fixed for initial 5 years (See confidential section)</p>								
<p>SOURCES AND USES</p>	<table border="0"> <tr> <td>IFA Guarantee:</td> <td><u>\$500,000</u></td> <td>Real Estate</td> <td><u>\$500,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$500,000</u></td> <td>Total</td> <td><u>\$500,000</u></td> </tr> </table>	IFA Guarantee:	<u>\$500,000</u>	Real Estate	<u>\$500,000</u>	Total	<u>\$500,000</u>	Total	<u>\$500,000</u>
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Total	<u>\$500,000</u>	Total	<u>\$500,000</u>						
<p>RECOMMENDATION</p>	<p>Credit Review Committee recommends approval.</p>								

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 16, 2014**

Project: Vaughn Boehne

STATISTICS

Project Number: A-AD-GT-8706	Amount: \$500,000
Type: Agri-Debt Guarantee	IFA Staff: Patrick Evans
County/Region: DeKalb/Northeast	City: Shabbona

BOARD ACTION

Final Resolution-85% Loan Guarantee	Credit Review Committee recommends approval.
State Treasurer's Reserve Funds at risk: \$425,000	Extraordinary conditions: See p. 1 for conditions.

VOTING RECORD

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

PURPOSE

Use of proceeds: Refinance the Borrower's existing debt.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Program guarantees up to 85% of a Bank's loans to Illinois farmers and agribusiness owners. The Agri-Debt Guarantee Program is available to assist farmers in refinancing and restructuring their debts. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program. These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps IFA borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Guaranteed Loan: <u>\$500,000</u>	Uses: Refinance Real Estate. <u>\$500,000</u>	
Total	<u>\$500,000</u>	<u>\$500,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	1 st Real Estate mortgage on 113.61 acres of farmland
Structure:	30 year term and amortization.
Interest Mode:	Fixed for initial 5 years
Credit Enhancement:	IFA 85% Guarantee
Personal Guarantees/ Guarantors:	Vaughn & Audra Boehne, Berkeley & Lindsey Boehne, Shabbona Farms, LLC, Vaughn Boehne Farms, LLC, Berk Boehne Farms, LLC and Boehne Trucking, LLC
Maturity:	30 years
Estimated Closing Date:	October 30, 2014

PROJECT/BUSINESS SUMMARY

Character: Vaughn Boehne is the older of the two Boehne Brothers, who each actively manage a farming operation. Vaughn along with his brother, Berk (who is concurrently requesting a \$500,000 IFA Guaranteed Loan from Resource Bank) jointly operate 2,100 acres of grain farms. Their operation consists of 65% corn and 35% soybeans. They are also involved in a hog facility which is leased out and a trucking business which they manage. Vaughn is either directly or indirectly involved in the following relationships:

1. **Vaughn & Audra Boehne**, Individually
2. **Berkley & Lindsey Boehne**, Individually
3. **Vaughn Boehne Farms, LLC**, operating entity (a subsidiary of **Boehne Farms of Shabbona, LLC**). This entity was originated to capitalize on the government programs.
4. **Berk Boehne Farms, LLC**, operating entity (a subsidiary of **Boehne Farms of Shabbona, LLC**). This entity was originated to capitalize on the government programs.
5. **Boehne Farms Trucking, LLC**, the trucking entity

The Boehne brothers (Vaughn and Berk) are managers of the above entities. According to Resource Bank, they are considered good farmers having average or above yields. Also, they are both involved in the community with Berk being a member of the Board of Directors for the DeKalb County Farm Bureau and Vaughn serving as the local School Board President.

Condition: IFA's guarantee of this request will be subject to the Bank obtaining a 1st mortgage on the subject 113.61 acre property. A title policy will be required for support of the 1st mortgage. The note will be a 30 year amortizing note with interest rates adjusting every 5 years at 3% over the 5 year FHLB rate. The initial interest rate will be 4.75%. The Bank will obtain annual financial statements on the Borrower and Guarantors. The Bank is encouraging the Borrower to incorporate a farm management accounting system like FBFM into the operation. FBFM records would allow the individual a tool to better manage his assets. ("FBFM" is the Farm Business Farm Management Program, a cooperative educational service program offered through the University of Illinois at Urbana-Champaign's Department of Agriculture and Consumer Economics. FBFM also provides access to trained farm business analysis field staff – see www.fbfm.aces.uiuc.edu .)

Rationale: The proposed IFA Guaranteed Loan will refinance the Borrower's existing real estate loans at a lower rate and extend the amortization. The lender will be Resource Bank N.A. The Borrower's current lenders are 1st Farm Credit and American Midwest Bank. Through the consolidation and extension of the amortization extension, the cash flow of this operation will improve.

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Vaughn Boehne
Project Location: 13236 Shabbona Rd., Shabbona, IL 60550
Collateral: 113.61 acres
Ownership: Vaughn Boehne

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	The Clausen Group, LLP	DeKalb, IL	Bob Clausen
Appraiser:	Akers Group Appraisal Services, Inc.	DeKalb, IL	Robert T. Meriman
Originating Bank:	Resource Bank	Shabbona, IL	Joe Bothe
Bank Counsel:	TBD		
IFA Advisors:	N/A		
IFA Counsel:	Miller Hall & Triggs LLC	Peoria, IL	Richard Joseph

LEGISLATIVE DISTRICTS

Congressional: 16
State Senate: 45
State House: 90

October 16, 2014

\$19,000,000 (not-to-exceed amount)
Lake Forest College

REQUEST	<p>Purpose: Revenue Refunding Bonds may be issued in one or more series in an aggregate principal amount not to exceed \$19,000,000 and the proceeds used by Lake Forest College (the “College” or the “Borrower”), an Illinois corporation incorporated under a special act of the Illinois Legislature, to provide the College with the funds necessary to (i) refund and redeem the Illinois Educational Facilities Authority Revenue Bonds, Lake Forest College, Series 1998 (the “Series 1998 Bonds”) (including, without limitation, financing both the principal and accrued interest component of the redemption price if deemed desirable by the College) and (ii) pay costs relating to the issuance of the Bonds and the refunding and redemption of the Series 1998 Bonds, if deemed necessary or desirable by the College, all as permitted under the Illinois Finance Authority Act (and, collectively, the “Financing Purposes”).</p> <p>Program: 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> <p>No IFA Funds at risk. No State Funds at risk.</p>																
BOARD ACTION	Final Bond Resolution (One-time consideration)																
MATERIAL CHANGES	This is the first time this matter has been considered by the IFA Board of Directors.																
JOB DATA	<table border="0"> <tr> <td>260 FT; 116 PT</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td></td> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Construction jobs projected</td> </tr> </table>	260 FT; 116 PT	Current jobs	N/A	New jobs projected		N/A	Retained jobs	N/A				Construction jobs projected				
260 FT; 116 PT	Current jobs	N/A	New jobs projected														
	N/A	Retained jobs	N/A														
			Construction jobs projected														
BORROWER DESCRIPTION	<ul style="list-style-type: none"> Type of entity: Lake Forest College is a 501(c)(3) co-educational undergraduate liberal arts college established in 1857. Location: Lake Forest/Lake/Northeast 																
CREDIT INDICATORS	<ul style="list-style-type: none"> Lake Forest College is currently rated Baa3 (Negative Outlook) by Moody’s (affirmed as of 8/2/2013) and BBB- (Stable Outlook) by S&P (affirmed 7/3/2014). 																
STRUCTURE	<ul style="list-style-type: none"> Bank direct purchase structure to refinance 100% of the outstanding principal balance and accrued interest on the IEFA Series 1998 Bonds. The Bonds will be a general obligation of the College. The Bonds will be purchased directly by The Northern Trust Company at a fixed, variable, or synthetically fixed interest rate to be determined based on an evaluation of prevailing market conditions at closing. 																
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)	<table border="0"> <thead> <tr> <th colspan="2">Sources:</th> <th colspan="2">Uses:</th> </tr> </thead> <tbody> <tr> <td>IFA Refunding Bonds</td> <td>\$18,335,000</td> <td>Refunding Escrow</td> <td>\$18,050,000</td> </tr> <tr> <td>Equity</td> <td>=</td> <td>Costs of Issuance</td> <td><u>285,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$18,335,000</u></td> <td>Total</td> <td><u>\$18,335,000</u></td> </tr> </tbody> </table>	Sources:		Uses:		IFA Refunding Bonds	\$18,335,000	Refunding Escrow	\$18,050,000	Equity	=	Costs of Issuance	<u>285,000</u>	Total	<u>\$18,335,000</u>	Total	<u>\$18,335,000</u>
Sources:		Uses:															
IFA Refunding Bonds	\$18,335,000	Refunding Escrow	\$18,050,000														
Equity	=	Costs of Issuance	<u>285,000</u>														
Total	<u>\$18,335,000</u>	Total	<u>\$18,335,000</u>														
RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 16, 2014**

Project: Lake Forest College

STATISTICS

IFA Project:	E-PC-TE-CD-8702	Amount:	\$19,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Lake Forest	County/	
		Region:	Lake / Northeast

BOARD ACTION

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

VOTING RECORD

This is the first time this matter has been considered by the IFA Board of Directors. There have been no prior votes on this matter.

PURPOSE

Bond proceeds will issued in one or more series in an aggregate principal amount not to exceed \$19,000,000 and used by **Lake Forest College** (the “**College**” or the “**Borrower**”), an Illinois corporation incorporated under a special act of the Illinois Legislature, to provide the College with the funds necessary to (i) refund and redeem the Illinois Educational Facilities Authority Revenue Bonds, Lake Forest College, Series 1998 (the “**Series 1998 Bonds**”) (including, without limitation, financing both the principal and accrued interest component of the redemption price if deemed desirable by the College) and (ii) pay costs relating to the issuance of the Bonds and the refunding and redemption of the Series 1998 Bonds, if deemed necessary or desirable by the College, all as permitted under the Illinois Finance Authority Act (and, collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS (Preliminary, Subject to Change)

Sources:	IFA Refunding Bonds	\$ 18,335,000	Uses:	Refunding Escrow	\$ 18,050,000
				Costs of Issuance	285,000
	Total:	\$ 18,335,000		Total:	\$ 18,335,000

JOBS

Current employment: 260 FT (includes 100 FT faculty); Projected new jobs: N/A
 *116 PT (includes 96 PT faculty)
 Jobs retained: N/A Construction jobs: N/A

*Additionally, the College employs 500 students on a part-time basis who are not included in the part-time employment totals reported above.

FINANCING SUMMARY

Bondholder's Security: The Northern Trust Company will be secured by a general obligation pledge of Lake Forest College.

Underlying Ratings: The College's Series 2012 Bonds are its only Bonds outstanding that are rated without credit enhancement (i.e., rated based on the direct underlying rating of the College). Lake Forest College is currently rated Baa3 (Negative Outlook) from Moody's (affirmed as of August 2, 2013) and BBB- (Stable Outlook) from S&P (affirmed as of July 3, 2014).

Structure/ Interest Rate: Fixed Rate or Variable Rate (with synthetic fixed rate swap option) for an initial term of up to 10 years to be determined based on market conditions (and priced based on an index of 30-Day LIBOR plus an applicable margin). Estimated interest rates are expected to conform to market interest rates for comparably rated debt of a similar maturity (in the range of approximately 2.75% to 3.25% for 10 years).

Maturity: The Series 2014 Revenue Refunding Bonds will maintain the same final maturity date as the Series 1998 Bonds (i.e., October 1, 2028, which was approximately 30 years from the original date of issuance).

Anticipated Closing Date: October 2014

Rationale: The proposed IFA Series 2014 Revenue Refunding Bonds (Lake Forest College Project) will enable the College to refinance the outstanding balance of its Illinois Educational Facilities Authority Series 1998 Insured Bonds to refinance 20 and 30 year maturities priced in 1998 (bearing interest at a 5.0% rate) at lower current market rates for maturities from 2018 to 2028, thereby realizing present value savings that can be used to fund the College's operations, increase balance sheet liquidity, or accelerate repayment of the College's debt.

This financing will also enable the College to streamline bond and loan covenants. Following this transaction, The Northern Trust Company will (i) continue to serve as the Direct Pay Letter of Credit provider on the College's Series 2008 Bonds while (ii) becoming the Direct Bond

Purchaser for the College's IFA Series 2014 Revenue Refunding Bonds. The Northern Trust Company also provides the College with a Line of Credit facility. (The Series 2012 Bonds were sold based on the direct, underlying ratings of the College and will remain outstanding with external bondholders.)

BUSINESS SUMMARY

Background: **Lake Forest College** (the "**College**" or the "**Borrower**") is an Illinois not-for-profit corporation and is a 501(c)(3) corporation originally founded in 1857 by the founders of the Village of Lake Forest and an Illinois corporation incorporated under a special act of the Illinois Legislature.

The College is governed by a Board of Trustees (see Economic Disclosure Statement section on pages 5-7 for further information). The Members of the Board of Trustees include Charter Trustees, National Trustees, Ex Officio Trustees, and Life Trustees. The act of a majority of the 20 Charter Trustees constitutes a valid action of the College's Board of Trustees.

Description: Lake Forest College is a co-educational undergraduate liberal arts college that is located approximately 30 miles north of Chicago in the Village of Lake Forest. The College is a non-denominational liberal arts college that was founded in the mid-1800s by a group of Presbyterian ministers and retains affiliation with the church.

The College's campus is located on approximately 107 acres on three attached campuses with a portion of the lands granted to the College at its founding in 1857. The campus is located in the National Register Historic District of East Lake Forest and is comprised of 65 College-owned buildings.

Lake Forest College's academic programs include 30 majors and focus on combining the ideals of a liberal arts education with pre-professional and career preparation (including internship opportunities). The College offers accelerated and dual degree programs in law, communication, nursing, engineering, and international relations offering highly motivated students a way to finish a degree in only three years, or to complete a bachelor's degree while enrolled in an undergraduate or graduate program at a partner university.

The College has a distinguished faculty of 100 full-time teaching faculty (and 96 part-time). Approximately 98% of the College's full-time teaching faculty members hold the terminal degree in their field of study.

The College's total undergraduate student enrollment was 1,607 (or 1,600 FTE's) at the beginning of the 2014-2015 academic year (Fall 2014), up from 1,491 undergraduate students (1,485 FTE's) in Fall 2011. The College has steadily increased undergraduate enrollment over each of the past 5 years. In Fall 2009, the College enrolled 1,387 undergraduate students (1,382 FTE's). Academic year 2014-2015 undergraduate tuition and fees total \$41,172.

The College's student body represents 47 states and 78 countries. Approximately 1,150 of the student body lives on campus. Lake Forest competes in Division III and offers 17 varsity sports, nine women's and eight men's.

Lake Forest College admits students regardless of their ability to pay, so that qualified students from all economic backgrounds have the opportunity to pursue their academic goals. Lake Forest is committed to meeting as much of a student's demonstrated financial need as possible, which may include a combination of federal/state/college grants, loans, and work-study opportunities. The College offers several merit-based scholarships, recognizing academic achievement, talent, and community engagement.

Lake Forest College is included in The Princeton Review's 2015 Best Colleges, and appears on its Financial Aid Honor Roll and its Best Midwestern Colleges list. Lake Forest College is a Tier 1 school and was ranked as 120th in a list of the top liberal arts colleges in the country by US News

& World Report for its *America's Best Colleges 2014 Edition*. Lake Forest College is a member of the Associated Colleges of the Midwest.

In addition to (i) the estimated \$18,335,000 IFA Series 2014 Revenue Refunding Bonds (which would refund 100% of the outstanding principal balance of IEFA Series 1998 Bonds (Lake Forest College Project) and provide funds to cover related costs), the College also has outstanding approximately (ii) \$6,000,000 of IFA Series 2008 Bonds (Lake Forest College), and (iii) \$15,800,000 of IFA Series 2012 Bonds, the proceeds of which were used to finance a new (replacement) student housing project (the College redeemed \$160,000 of the original \$15,960,000 Par Amount as of 10/1/2014 as posted on the MSRB's EMMA website).

All payments on all three of the College's outstanding Bonds have been made as scheduled as of 10/1/2014, including: (i) IEFA Series 1998 Bonds (originally enhanced with MBIA municipal bond insurance; now with "A3"-rated municipal bond insurance from National Public Finance Guarantee Corporation (as successor to MBIA)), (ii) IFA Series 2008 Bonds (credit enhanced with a Direct Pay Letter of Credit from The Northern Trust Company with an enhanced rating of Aa3/P-1 with a Stable Outlook), and (iii) IFA Series 2012 Bonds (under which the College applied for and was assigned "Baa3" with a Negative Outlook (Moody's; affirmed 8/2/2013); "BBB-" with a Stable Outlook (S&P; rating affirmed 7/3/2014) have been made as scheduled as of 10/1/2014.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will issued in one or more series in an aggregate principal amount not to exceed \$19,000,000 and used by **Lake Forest College** (the "**College**" or the "**Borrower**"), an Illinois corporation incorporated under a special act of the Illinois Legislature, to provide the College with the funds necessary to (i) refund and redeem the Illinois Educational Facilities Authority Revenue Bonds, Lake Forest College, Series 1998 (the "**Series 1998 Bonds**") (including, without limitation, financing both the principal and accrued interest component of the redemption price if deemed desirable by the College) and (ii) pay costs relating to the issuance of the Bonds and the refunding and redemption of the Series 1998 Bonds, if deemed necessary or desirable by the College, all as permitted under the Illinois Finance Authority Act (and, collectively, the "**Financing Purposes**").

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lake Forest College, 555 N. Sheridan Road, Lake Forest, IL 60045 (c/o Ms. Lori Sundberg, Vice President for Finance and Planning, North Hall 106, 847-735-5034)
E-mail: lsundber@mx.lakeforest.edu

Applicant Website: www.lakeforest.edu

Project name: Lake Forest College Series 2014 Revenue Refunding Bonds

Location: Lake Forest College, Lake Forest (Lake County), IL

Organization: Illinois Not-for-Profit Corporation

Ownership/
Board of
Trustees:

Lake Forest College – Board of Trustees – 2014-2015:

Officers

William U. Parfet '70, Chairman
Daniel D. Dolan Jr. '80, Vice-Chairman
Lorna S. Pfaelzer, Vice-Chairwoman
William A. Lowry '84, Secretary

Charter Trustees

Marsha K. Anderson '68 (2015)
Vice President
Global Event
Marketing (Retired),
JP Morgan

Earl J. Barnes II '86 (2015)
Senior Vice
President
and General
Counsel, OhioHealth

Judith H. Bishop '88 (2016)
President, Heisley
Family Foundation

Charles M. Brennan III (2016)
Chairman and Chief
Executive Officer
(Retired), MYR
Group

John D. Carruthers '78 (2017)

David A. Castagnetti '84 (2018)
Partner, Mehlman
Vogel
Castagnetti

James R. Donnelley (2015)
Partner;
Ampersand, Reset
and South Eastern
Limited Partnership

Doni Fordyce-Urfirer '81 (2017)
President and Chief
Operating Officer,
Stone Key Group

David F. Gorter '80 (2017)
President, SSU
Corporation

Mark W. Helderman (2015)
Managing Director,
Sasco Capital Inc.

James M. Hunter '71 (2016)
President, Viator,
Inc.
Williamstown, MA

Robert D. Krebs (2016)
Chairman,
Burlington Northern
Santa Fe
Corporation
(Retired)
Lake Forest, Illinois

Charles J.B. Mitchell Jr. '64 (2016)
Partner, Blizzard
Advisors, LLC
Board Member-ABS
Medical Devices,
Inc.,
Seonic Inc.

Mark A. Nagle (2015)
President,
Czarnowski Display
Service Inc.

Craig Omtvedt (2017)
Senior Vice
President and Chief
Financial Officer,
Fortune Brands
(Retired)
Lake Forest, Illinois

William U. Parfet '70 (2015)
Chairman, Chief
Executive Officer
and President; MPI
Research

Stephen D. Schutt, Ex Officio
President, Lake
Forest College

Joanne M. Storkan (2018)
Executive Producer
and President,
Honest Engine Films

Stephen C. Strelsin (2017)
Managing
Partner, Axiom
Consulting Partners

Claudia Wyatt-Johnson '69 (2015)
Founding Partner,
Partners in
Performance Inc.

National Trustees

William G. Brown (2018)
Hobe Sound, Florida

Liam Connell (2016)
Lake Forest, Illinois

Katherine Dietze (2018)
Corporate Director-
Cowen & Company
Liberty Property
Trust
Matthews
International
Corporation

Daniel D. Dolan Jr. '80 (2016)
Owner/Managing
Member, Dolan,
McEnery Capital
Management, LLC

Susan Garrett '94 (2016)
Lake Forest, Illinois

John S. Lillard (2016)
Chairman (Retired),
Wintrust Financial
Corporation

William A. Lowry '84 (2017)
President and Managing Shareholder,
Nyhan, Bambrick, Kinzie & Lowry, P.C.

Joseph D. McCarthy '78
President and Director of Strategy,
Collins

Marian H. Niles '66
Pacific Palisades, CA

Lorna S. Pfaelzer (2016)
Lake Bluff, Illinois

Alexander D. Stuart (2016)
President, North Star Investments

Life Trustees

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Lake Forest, Illinois

Maurice F. Dunne Jr.
Clearwater, Florida

Russell W. Fisher
Chairman, Biofit Engineered Products

James P. Gorter
Green Bay Management Company

Margaret S. Hart
Lake Forest, Illinois

Samuel J. Henry
Lake Forest, Illinois

Paula P. Lillard
Lake Forest, Illinois

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Chairman & Chief Executive Officer (Retired), Kemper Group

Jean Whyte Mohr '52
Lake Forest, Illinois

Marian P. Pawlick
Lake Bluff, Illinois

Rhoda A. Pierce '60
Highland Park, Illinois

Dr. Barbara O. Taylor
Lake Forest, Illinois

Florence F. Wheeler
Lake Forest, Illinois

Ex Officio Trustees

Victoria A. Hagan '88
President, Lake Forest College Alumni Board

John N. Popoli
President, Lake Forest Graduate School of Management

Stephen D. Schutt
President, Lake Forest College

PROFESSIONAL & FINANCIAL

Borrower:	Lake Forest College	Lake Forest, IL	Lori Sundberg
Auditor:	Crowe Horwath LLP	Chicago, IL	
Borrower's Counsel:	Drinker Biddle & Reath LLP	Washington, DC	Robert McCann
Placement Agent:	William Blair & Company, LLC	Chicago, IL	Aleks Granchalek
Purchasing Bank:	The Northern Trust Company	Chicago, IL	Jason Simon
Bank Counsel:	Dentons	Chicago, IL	Mary Wilson
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Rating Agencies (Direct Rating on 2012 Bonds only):	Moody's Investors Service	Chicago, IL	
	Standard & Poor's	Chicago, IL	
IFA Counsel:	Thompson Coburn	Chicago, IL	Tom Smith
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional: 10
State Senate: 29
State House: 58

\$97,500,000 (not-to-exceed)

October 16, 2014

North Central College

REQUEST	<p>Purpose: Bond proceeds, together with certain other funds, will be used by North Central College (the “College” or “Borrower”) to: (i) finance, refinance or reimburse the Borrower 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 educational facilities, including, without limitation, the planning, design, acquisition, construction, furnishing and equipping of a new residence hall and a new science center, and including related infrastructure, landscaping, signage and other similar improvements (collectively, the “New Projects”), (ii) current refund and redeem certain tax-exempt revenue bonds (the “Prior Bonds”), the proceeds of which were used, among other things, to finance, refinance or reimburse the Borrower for certain costs relating to the acquisition, construction, renovation, relocation, improvement and remodeling of certain of its educational facilities, including, but not limited to, the acquisition, construction, renovation, relocation, improvement and remodeling of the Old Main building (including an outdoor plaza adjacent thereto), the Goldspohn Building, the Lawrence Academic Center, the Kroehler Science Center, the Merner Fieldhouse, Pfeiffer Hall, Seager Hall, Kimmel Hall, Carnegie Hall, Fort Hill Hall, Rall Hall, Oesterle Library, the Print Shop, a student services building, various other classroom buildings, administrative buildings, athletic facilities, recreation center and residence halls, various dining and parking facilities, various physical plant improvements and information technology improvements and a wide range of other campus improvements, and the furnishing and equipping of the foregoing, including, but not limited to, office and classroom equipment and furnishings, and including related infrastructure, landscaping, signage and other similar improvements, (iii) pay certain working capital expenditures if deemed desirable by the Borrower and (iv) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, certain costs incurred in connection with the refunding and redemption of the Prior Bonds and certain payments incurred in connection with the termination of certain interest rate exchange agreements, all as permitted under the Act (collectively, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																								
BOARD ACTION	Preliminary Bond Resolution																								
MATERIAL CHANGES	Not applicable. This is the first time this project has been presented to the IFA Board of Directors.																								
JOB DATA	<table border="0"> <tr> <td style="text-align: right;">604 (FTE)</td> <td>Current jobs</td> <td style="text-align: right;">30</td> <td>New jobs projected</td> </tr> <tr> <td style="text-align: right;">N/A</td> <td>Retained jobs</td> <td style="text-align: right;">325</td> <td>Construction jobs projected (24 months)</td> </tr> </table>	604 (FTE)	Current jobs	30	New jobs projected	N/A	Retained jobs	325	Construction jobs projected (24 months)																
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N/A	Retained jobs	325	Construction jobs projected (24 months)																						
DESCRIPTION	<ul style="list-style-type: none"> • Location: Naperville / DuPage County / Northeast • Type of entity: The College, a 501(c)(3) organization incorporated under Illinois law, is an independent, co-educational institution of higher learning founded in 1861 that is governed by a Board of Trustees (see pp. 5-7) and affiliated with the United Methodist Church. • The College will refund all or a portion of the College’s outstanding IEFA Series 1998 (ACI/Cultural Pooled Financing Program) Bonds, IEFA Series 1999 (Cultural Pooled Financing Program) Bonds, and the College’s outstanding IFA Adjustable Rate Demand Revenue Bonds (North Central College) Series 2008. • Additionally, the College intends to finance the construction of a \$22 MM, 229-bed residence hall which will break ground in the Fall of 2014 and open in the Fall of 2015 to meet current demand. The new residence hall will consist of suite style units of four beds per suite / two bathrooms / one student per bedroom, and is expected to be approximately 98,000 square feet. • Finally, the College intends to finance the construction of a new, \$60 MM state of the art science building, which is currently scheduled to break ground in June 2015 and open in mid-2017. The new building will be approximately 130,000 usable square feet that will house all the lab sciences currently located in Kroehler Science Center plus mathematics, psychology, exercise science and computer science which are currently located in other buildings. 																								
CREDIT INDICATORS	<ul style="list-style-type: none"> • The Borrower is a non-rated entity. • The IFA Series 2014 Bonds will be issued in three tranches and purchased directly by BMO Harris Bank, N.A. and PNC Bank, N.A. (each, a “Bond Purchaser”). The Bond Purchaser will be the secured lender and the direct bond investor. 																								
SECURITY	<ul style="list-style-type: none"> • The IFA Series 2014 Bonds will be a general corporate obligation, secured by the College’s unrestricted revenues along with a negative pledge of North Central’s buildings or other property on campus, and an assignment of Science Center campaign pledges. 																								
MATURITY/INTEREST RATES	<ul style="list-style-type: none"> • The IFA Series 2014 Bonds will mature no later than 30 years from the issuance date, with each tranche of IFA Series 2014 Bonds ranging from 10 years to 30 years. • The IFA Series 2014 Bonds will be sold in one or more fixed interest rates to be determined at pricing for an initial period of 10 years. 																								
SOURCES AND USES	<table border="0"> <thead> <tr> <th style="text-align: left;">Sources:</th> <th></th> <th style="text-align: left;">Uses:</th> <th></th> </tr> </thead> <tbody> <tr> <td>IFA New Money Bonds</td> <td style="text-align: right;">\$52,500,000</td> <td>New Construction</td> <td style="text-align: right;">\$82,000,000</td> </tr> <tr> <td>IFA Refunding Bonds</td> <td style="text-align: right;">45,000,000</td> <td>Refunding</td> <td style="text-align: right;">45,000,000</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>33,000,000</u></td> <td>Architectural & Engineering</td> <td style="text-align: right;">3,000,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>500,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$130,500,000</td> <td>Total</td> <td style="text-align: right;">\$130,500,000</td> </tr> </tbody> </table>	Sources:		Uses:		IFA New Money Bonds	\$52,500,000	New Construction	\$82,000,000	IFA Refunding Bonds	45,000,000	Refunding	45,000,000	Equity	<u>33,000,000</u>	Architectural & Engineering	3,000,000			Costs of Issuance	<u>500,000</u>	Total	\$130,500,000	Total	\$130,500,000
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Total	\$130,500,000	Total	\$130,500,000																						
RECOMMENDATION	Credit Review Committee recommends approval.																								

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 16, 2014**

Project: North Central College

STATISTICS

Project Number:	E-PC-TE-CD-8700	Amount:	\$97,500,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Naperville	County/ Region:	DuPage County/Northeast

BOARD ACTION

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

VOTING RECORD

Not applicable. This is the first time this financing is being presented.

PURPOSE

Bond proceeds, together with certain other funds, will be used by **North Central College** (the “**College**” or “**Borrower**”) to: (i) finance, refinance or reimburse the Borrower 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 educational facilities, including, without limitation, the planning, design, acquisition, construction, furnishing and equipping of a new residence hall and a new science center, and including related infrastructure, landscaping, signage and other similar improvements (collectively, the “**New Projects**”), (ii) current refund and redeem certain tax-exempt revenue bonds (the “**Prior Bonds**”), the proceeds of which were used, among other things, to finance, refinance or reimburse the Borrower for certain costs relating to the acquisition, construction, renovation, relocation, improvement and remodeling of certain of its educational facilities, including, but not limited to, the acquisition, construction, renovation, relocation, improvement and remodeling of the Old Main building (including an outdoor plaza adjacent thereto), the Goldspohn Building, the Lawrence Academic Center, the Kroehler Science Center, the Merner Fieldhouse, Pfeiffer Hall, Seager Hall, Kimmel Hall, Carnegie Hall, Fort Hill Hall, Rall Hall, Oesterle Library, the Print Shop, a student services building, various other classroom buildings, administrative buildings, athletic facilities, recreation center and residence halls, various dining and parking facilities, various physical plant improvements and information technology improvements and a wide range of other campus improvements, and the furnishing and equipping of the foregoing, including, but not limited to, office and classroom equipment and furnishings, and including related infrastructure, landscaping, signage and other similar improvements, (iii) pay certain working capital expenditures if deemed desirable by the Borrower and (iv) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, certain costs incurred in connection with the refunding and redemption of the Prior Bonds and certain payments incurred in connection with the termination of certain interest rate exchange agreements, all as permitted under the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	604 FTE	Projected new jobs:	30
Jobs retained:	N/A	Construction jobs:	325 (24 months)

ESTIMATED SOURCES AND USES OF FUNDS – SUBJECT TO CHANGE

Sources:	IFA New Money Bonds	\$52,500,000	Uses:	New Construction	\$82,000,000
	IFA Refunding Bonds	45,000,000		Refunding Escrow	45,000,000
	Equity	<u>33,000,000</u>		Architectural & Engineering	3,000,000
				Costs of Issuance	<u>500,000</u>
Total		<u>\$130,500,000</u>	Total		<u>\$130,500,000</u>

The Borrower contemplates issuing three tranches of Bonds, each tranche sized at approximately \$30.0 million to \$35.5 million. Please refer to the Financing Summary section below for more information regarding the structure of the IFA Series 2014 Bonds that will be purchased directly by BMO Harris Bank, N.A. and PNC Bank, N.A.

FINANCING SUMMARY

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

Structure: The plan of finance contemplates the direct purchase of tax exempt debt in an amount not-to-exceed \$97.5 million to be issued in three tranches and purchased directly by BMO Harris Bank, N.A. and PNC Bank, N.A. (each, a “**Bond Purchaser**”). The Bond Purchaser will be the secured lender and the direct bond investor.

BMO Harris Bank, N.A. will direct-purchase two tranches, as described below:

- (i) \$30.0 million issued to construct a new, \$60.0 million state of the art science building, which is currently scheduled to open in mid-2017. The new building will be approximately 130,000 usable square feet and located on property currently owned by the College. The College intends to break ground in June 2015.
- (ii) \$35.5 million issued to refund the principal amount outstanding of the IEFA Series 1998 ACI/Cultural Pool Bonds (\$14.5 million), refund the principal amount outstanding of the IFA Series 2008 Revenue Bonds (\$17.0 million), and pay related redemption costs (\$4.0 million).

PNC Bank, N.A. will direct-purchase one tranche, as described below:

- (iii) \$32.0 million issued to construct a new, 229-bed residence hall on property currently owned by the College and zoned for that purpose which will break ground in the Fall of 2014 and open in the Fall of 2015 (\$22.0 million), and to refund the principal amount outstanding of the IEFA Series 1999 ACI/Cultural Pool Bonds (\$10.0 million).

The Series 2014 Bonds will not be rated.

Interest Rate: The Series 2014 Bonds will be sold in one or more fixed interest rates to be determined at pricing. The interest rates on the Series 2014 Bonds will be set for an initial term of 10 years (with reset provisions thereafter to be determined prior to pre-closing).

Underlying Debt Rating: The College is a non-rated entity. Again, the IFA Series 2014 Bonds will not be rated.

Maturity: As presently contemplated, the IFA Series 2014 Bonds will be issued in three tranches, each maturing as described below:

- Science Center
 - Not-to-exceed 10 years on tranche of IFA Series 2014 Bonds issued to construct the science building.

Series 1998/2008 Refunding

- Not-to-exceed 13 years (i.e., 2027) and 24 years (i.e., 2038) on tranche of IFA Series 2014 Bonds issued to refund the IEFA Series 1998 ACI/Cultural Pool Bonds and IFA Series 2008 Revenue Bonds, respectively – thus, matching the interest-only amortization schedules (i.e., bullet maturities) of the bonds being refunded.

Residence Hall/Series 1999 Refunding

- Not-to-exceed 30 years on tranche of IFA Series 2014 Bonds issued to construct the residence hall and refund the IEFA Series 1999 ACI/Cultural Pool Bonds.

Estimated

Closing Date: November/December 2014

Rationale: During the competitive bid process that the College undertook in August 2014 among banks interested in financing its capital projects and refinancing its bonds, the College solicited tax-exempt and taxable proposals from potential bank partners. As a result, all but one bank responded that tax-exempt financing would be more economically beneficial to the College's financing and based on the one taxable proposal it received, the College determined that tax-exempt financing could be completed at a rate that would be approximately 1.00% lower than a taxable loan for the same fixed term. Based on the proposed \$97.5 million issuance amount, these savings will be substantial over the term of these financings. Savings attributable to tax-exempt financing will also free up College cash to be used for other projects that will enhance the College and the surrounding community.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds, together with certain other funds, will be used by **North Central College** (the "**College**" or "**Borrower**") to: (i) finance, refinance or reimburse the Borrower 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 educational facilities, including, without limitation, the planning, design, acquisition, construction, furnishing and equipping of a new residence hall and a new science center, and including related infrastructure, landscaping, signage and other similar improvements (collectively, the "**New Projects**"), (ii) current refund and redeem certain tax-exempt revenue bonds (the "**Prior Bonds**"), the proceeds of which were used, among other things, to finance, refinance or reimburse the Borrower for certain costs relating to the acquisition, construction, renovation, relocation, improvement and remodeling of certain of its educational facilities, including, but not limited to, the acquisition, construction, renovation, relocation, improvement and remodeling of the Old Main building (including an outdoor plaza adjacent thereto), the Goldspohn Building, the Lawrence Academic Center, the Kroehler Science Center, the Merner Fieldhouse, Pfeiffer Hall, Seager Hall, Kimmel Hall, Carnegie Hall, Fort Hill Hall, Rall Hall, Oesterle Library, the Print Shop, a student services building, various other classroom buildings, administrative buildings, athletic facilities, recreation center and residence halls, various dining and parking facilities, various physical plant improvements and information technology improvements and a wide range of other campus improvements, and the furnishing and equipping of the foregoing, including, but not limited to, office and classroom equipment and furnishings, and including related infrastructure, landscaping, signage and other similar improvements, (iii) pay certain working capital expenditures if deemed desirable by the Borrower and (iv) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, certain costs incurred in connection with the refunding and redemption of the Prior Bonds and certain payments incurred in connection with the termination of certain interest rate exchange agreements, all as permitted under the Act (collectively, the "**Financing Purposes**").

Estimated New Project costs financed with bond proceeds consist of the following:

New Construction	<u>\$52,000,000</u>
Total New Project Costs	<u>\$52,000,000</u>

BUSINESS SUMMARY

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

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

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

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

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

Affiliation: Every ten years the University Senate of the United Methodist Church reviews North Central College as a United Methodist-affiliated college. Most recently, a three-person team visited North Central on October 4-6, 2010, and evaluated the College in four areas: institutional integrity, program quality, sound management and financial health, and church relatedness. They wrote a report to the Commission on Institutional Review, and the Commission recommended that North Central College be “approved for continued listing, without qualification, as a United Methodist-related academic institution.” The University Senate of United Methodist Church approved the recommendation on January 27, 2011.

ECONOMIC DISCLOSURE STATEMENT

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

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

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

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

Project name: IFA 501(c)(3) Revenue Bonds (North Central College Project) Series 2014

Board of
Trustees/

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

Board of Trustees:

Steven H. Hoeft '73, Chair

Attorney; McDermott, Will & Emery; Chicago, Illinois

J. Thomas Gruenwald, Vice Chair, Academic Affairs

Managing Partner, Alliant Formulations; Bedford Park, Illinois

David W. Kelsch, Vice Chair, Business Affairs

President & CEO; Advanced Data Technologies, Inc.; Naperville, Illinois

Jeffrey K. Swallow '94, Vice Chair, Enrollment Management and Student Affairs

President and CEO; Magnetrol International Incorporated; Aurora, Illinois

Donald C. Sharp, Vice Chair, Institutional Advancement

President and CEO; Coolfire Solutions; St. Louis, Missouri

Kevin M. Gensler, Secretary

President; Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan & Bernhard, Ltd.; Naperville, Illinois

Esther T. Benjamin '90

CEO, Africa Operations; Laureate Education; Baltimore, Maryland

Kathryn Birkett

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

Erin L. Bishop '93

Senior Corporate Counsel; Caterpillar Inc.; Nashville, Tennessee

Robin B. Boren

President, Pivotal Home Solutions; AGL Resources; Naperville, Illinois

James J. Boyne

Executive Director; Steamboat Springs Winter Sports Club; Steamboat Springs, Colorado

Matthew S. Brill '97

Derivatives Trader; Tourmaline Partners; Pottstown, Pennsylvania

Sally Dyck

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

Troy D. Hammond

President; North Central College; Naperville, Illinois

Nancy Hanson '79

Former Teacher; Naperville Community Unit Dist. 203; Chicago, Illinois

Thomas Harter, Sr.

Chairman, President and CEO; Microdynamics Group; Naperville, Illinois

Holly Humphrey '79

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

Peter P. Jones '76

Chief Operating Officer; M-Cubed Information Systems, Inc.; Silver Spring, Maryland

Hee-Soo Jung

Bishop, Wisconsin Conference; The United Methodist Church; Sun Prairie, Wisconsin

Michele Kenaga '73

Vice President, Compensation; New York Life Insurance Company; New York, New York

J. Raymond Kinney, III H'10

Principal; Minuteman Press; Naperville, Illinois

Susan Koranda '06

Administrator; Rob A. Koranda Scholarship Foundation; Naperville, Illinois

Ronald Lueptow '81

Chief Financial Officer; ArrMaz Custom Chemicals, Inc.; Mulberry, Florida

Joseph Mallon '80

Partner (Retired); Deloitte & Touche, LLP; Chicago, Illinois

James A. McDermet M'92

Senior Vice President, Global and Americas Operations;
Starbucks Corporation; Seattle, Washington

Holly I. Myers '69

President (Retired); Pediatric Insurance Consultants, Inc.; Naperville, Illinois

Michael R. Naset

Senior Partner (Retired); Accenture LLP; Naperville, Illinois

Lori Nita '02 Novak

Senior Vice President Hedge Fund Service; Northern Trust; Chicago, Illinois

Jeffrey J. Oesterle '76

Owner; Plaza Properties; Schererville, Indiana

Leah Rippe

Publisher; Naperville Magazine; Naperville, Illinois

Steven Rubin

Partner; Kitchens To Go; Naperville, Illinois

Stephen T. Sellers '76

CEO; Applied Noetics; Batavia, Illinois

Scott Wehrli '91

Secretary/Treasurer and Partner; Dukane Precast, Inc.; Naperville, Illinois

Herman B. White Jr.,

Senior Scientist; Fermi National Accelerator Laboratory; Batavia, Illinois

Robert A. Wislow '67

Chairman/CEO; U.S. Equities Realty; Chicago, Illinois

Lee J. Woolley '85

Region President, Mid-Atlantic Region; BNY Mellon Wealth Management; Chicago, Illinois

Maria E. Wynne '77

CEO; Leadership Greater Chicago; Chicago, Illinois

PROFESSIONAL & FINANCIAL

Borrowers' Counsel:	Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan and Bernhard, Ltd.	Naperville, IL	Kathy West
Borrowers' Financial Advisor:	Longhouse Capital Advisors, LLC	La Grange Park, IL	Michael Boisvert Lindsay Wall
Auditor:	Grant Thornton LLP	Chicago, IL	
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke Becky Brueckel Leslie Cornell
Banks/ Bond Purchasers:	<u>Science Center + Series 1998 & Series 1999 ACI/Cultural Pool Refunding</u> BMO Harris Bank, N.A.	Chicago, IL	Deb Capozzi Colleen Murphy
	<u>Residence Hall + Series 2008 Refunding</u> PNC Bank, N.A.	Chicago, IL	Barb Fahnstrom Jeff Warner
BMO Harris Counsel:	Chapman & Cutler LLP	Chicago, IL	Carol Thompson
PNC Bank Counsel:	Thompson Coburn LLP	St. Louis, MO	Brandi M. Wilson
Exiting LOC Bank ACI/Cultural Pool:	JPMorgan Chase Bank, N.A.	Chicago, IL	
Exiting LOC Bank Series 2008:	Bank of America, N.A.	Chicago, IL	
Exiting Trustee:	The Bank of New York Mellon Trust Company, N.A.	Chicago, IL	Merci Stahl
General Contractor(s):	Pepper Construction Bulley & Andrews, LLC	Chicago, IL Chicago, IL	
Architect(s):	Holabird & Root LLC Buchar, Mitchell, Bajt Architects, Inc.	Chicago, IL Chicago, IL Joliet, IL	
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randall S. Kulat
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	6
State Senate:	21
State House:	41



October 16, 2014

\$19,000,000
The Lodge of Northbrook, Inc.

REQUEST	<p>Purpose: Bond proceeds will be used by The Lodge of Northbrook, Inc. (the “Lodge”, the “Corporation” or the “Borrower”) to (i) pay off a construction loan for Phase III, a 3-story brick, 18-unit senior living community attached to Phase I and II located at Founders Drive and Kamp Drive in Northbrook, Illinois; (ii) finance Phase IV, 3-story brick building with 58 independent and 8 two-bed assisted living units attached to Phase I, II and III; and (iii) pay certain expenses incurred in connection with the issuance of the Bonds.</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 project has been presented to the IFA Board of Directors.																																								
JOB DATA	<table border="0"> <tr> <td>9</td> <td>Current jobs</td> <td>19</td> <td>New jobs projected</td> </tr> <tr> <td>9</td> <td>Retained jobs</td> <td>80</td> <td>Construction jobs projected</td> </tr> </table>	9	Current jobs	19	New jobs projected	9	Retained jobs	80	Construction jobs projected																																
9	Current jobs	19	New jobs projected																																						
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DESCRIPTION	<ul style="list-style-type: none"> • Location: Northbrook, Illinois (Cook County/Northeast Region) • The Lodge of Northbrook has completed Phase I containing 58 units and common areas and services located at 2220 Founders Drive in Northbrook. Phase II containing 20 units is currently under construction and will open for occupancy in January 2015. Phase III containing 18 units will commence construction in late 2014. Phase IV containing 58 units and 8 two-bed assisted living units will commence construction in late 2015. The Lodge is designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership. Essex Corporation, as developer of the community, brings substantial expertise to The Lodge of Northbrook, having designed, built and managed three similar projects in the Chicago area as well as 30+ senior residences throughout the Midwest. 																																								
SECURITY	<ul style="list-style-type: none"> • First deed of trust and assignment of rents and leases. 																																								
STRUCTURE	<ul style="list-style-type: none"> • Direct purchase by Great Western Bank. 																																								
MATURITY	<ul style="list-style-type: none"> • Not later than 30 years after the anticipated 2015 issuance date. 																																								
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$19,000,000</td> <td>Land Costs</td> <td>\$ 545,500</td> </tr> <tr> <td>Entrance Fees</td> <td><u>\$23,682,071</u></td> <td>New Construction</td> <td>\$30,741,070</td> </tr> <tr> <td></td> <td></td> <td>Absorption/Debt Service Reserve</td> <td>\$ 1,441,000</td> </tr> <tr> <td></td> <td></td> <td>Furniture/Equipment</td> <td>\$ 760,200</td> </tr> <tr> <td></td> <td></td> <td>Architectural & Engineering</td> <td>\$ 660,461</td> </tr> <tr> <td></td> <td></td> <td>Legal & Financing</td> <td>\$ 827,370</td> </tr> <tr> <td></td> <td></td> <td>Professional/Marketing</td> <td>\$ 6,662,470</td> </tr> <tr> <td></td> <td></td> <td>Capitalized Interest</td> <td><u>\$ 1,044,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$42,682,071</u></td> <td>Total</td> <td><u>\$42,682,071</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$19,000,000	Land Costs	\$ 545,500	Entrance Fees	<u>\$23,682,071</u>	New Construction	\$30,741,070			Absorption/Debt Service Reserve	\$ 1,441,000			Furniture/Equipment	\$ 760,200			Architectural & Engineering	\$ 660,461			Legal & Financing	\$ 827,370			Professional/Marketing	\$ 6,662,470			Capitalized Interest	<u>\$ 1,044,000</u>	Total	<u>\$42,682,071</u>	Total	<u>\$42,682,071</u>
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Total	<u>\$42,682,071</u>	Total	<u>\$42,682,071</u>																																						
RECOMMENDATION	Credit Review Committee recommends approval.																																								

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 October 16, 2014**

Project: The Lodge of Northbrook, Inc.

STATISTICS

Project Number: H-SL-TE-CD-8698	Amount: \$19,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Nora O'Brien
City: Northbrook, Illinois	County/Region: Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the “**Corporation**” or the “**Borrower**”) to (i) repay the Borrower’s construction loan, the proceeds of which were used to pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “**Projects**” (as such term is defined in the Act) for the Borrower’s housing complex for the elderly located in Northbrook, Illinois; (ii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015 (estimated) Bonds and the refinancing of the construction loan, all as permitted by the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 9	Projected new jobs: 19
Jobs retained: 9	Construction jobs: 80

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$19,000,000	Land Costs	\$ 545,500
Entrance Fees	<u>\$23,682,071</u>	New Construction	\$30,741,070
		Absorption/Debt Service	
		Reserve	\$ 1,441,000
		Furniture/Equipment	\$ 760,200
		Architectural & Engineering	\$ 660,461
		Legal & Financing	\$ 827,370
		Professional/Marketing	\$ 6,662,470
		Capitalized Interest	<u>\$ 1,044,000</u>
Total	<u>\$42,682,071</u>	Total	<u>\$42,682,071</u>

FINANCING SUMMARY

Security:	First deed of trust and assignment of rents and leases.
Structure:	The plan of finance contemplates a Direct Purchase Bond by Great Western Bank. The Bonds will be issued to take-out a bank construction loan on Phase III of this proposed project and provide permanent financing of the fourth phase of construction.
Interest Rate:	4.0% (estimated, will be adjusted according to market conditions in advance of closing)
Interest Mode:	Variable adjusted every 5 years
Maturity:	30 Years
Rating:	The Bonds will not be rated.
Estimated Closing Date:	November 2015

PROJECT SUMMARY (PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the “**Corporation**” or the “**Borrower**”) to (i) repay the Borrower’s construction loan, the proceeds of which were used to pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “Projects” (as such term is defined in the Act) for the Borrower’s housing complex for the elderly located in Northbrook, Illinois; (ii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015 (estimated) Bonds and the refinancing of the construction loan, all as permitted by the Act (collectively, the “Financing Purposes”).

BUSINESS SUMMARY

Background:

The Lodge of Northbrook, Inc. (the “**Borrower**”) is an Illinois not-for-profit 501(c)(3) organization that was incorporated on August 16, 2011 to provide residential facilities for the aged. The facilities are designed to meet the needs of the aged, including suitable housing, physical and mental health care, civic, cultural and recreational activities, and an overall environment conducive to dignity and independence. Phase I of The Lodge of Northbrook is a 58-unit, three-story brick building designed around the needs and wants of seniors who want to take advantage of a home ownership atmosphere without all the responsibility and liability that comes with home ownership. Phase II includes 20 units. Phase III of the project will contain 18 units and Phase IV of the project will contain 58 units and 8 two-bed assisted living units.

According to US Census data, there are 9,882 households with people over 65 years of age and annual incomes over \$35,000 living within a 3-mile radius of the project.

The units are now priced with entrance fees/supplemental fees ranging from \$113,000 to \$690,000 and monthly fees ranging from \$1,050 to \$4,575. Residents may participate in an optional meal program for an additional charge. Residents paying a supplemental fee equal to the entrance fee will receive approximately a 35% discount in the standard monthly fee. The entrance fees/ supplemental fees are returned to residents (or their estate) upon leaving the community from payments made by new incoming residents.

The Developer:

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

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

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

Essex Corporation was the developer of The Reserve of Geneva, a senior living facility financed with IFA Bonds in 2004 and 2008. All payments on The Reserve of Geneva project (owned by another entity, but developed with the assistance of Essex) have been made as scheduled as of 9/1/2014.

The Investor:

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

The Bank was founded in 1907 as a hometown community bank. Now a regional lender based in Sioux Falls, SD, with approximately 200 locations in seven states, Great Western Bank is the flagship for the United State banking operations of its parent company, National Australia Bank Limited (NAB). They currently are part of a AA-/Aa2 (S&P and Moody’s, respectively) rated financial institution.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Lodge of Northbrook, Inc.
Location: 2220 Founders Drive, Northbrook, IL 60062
Website: <http://www.lodgeofnorthbrook.com>
Project name: The Lodge of Northbrook (Series 2015)
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Contact: Kent Braasch

Board Members: Karen Gilbert
Charles Bell
Jenanne Rock
Mary Staackmann
Al Levine
Art Brantman

PROFESSIONAL & FINANCIAL

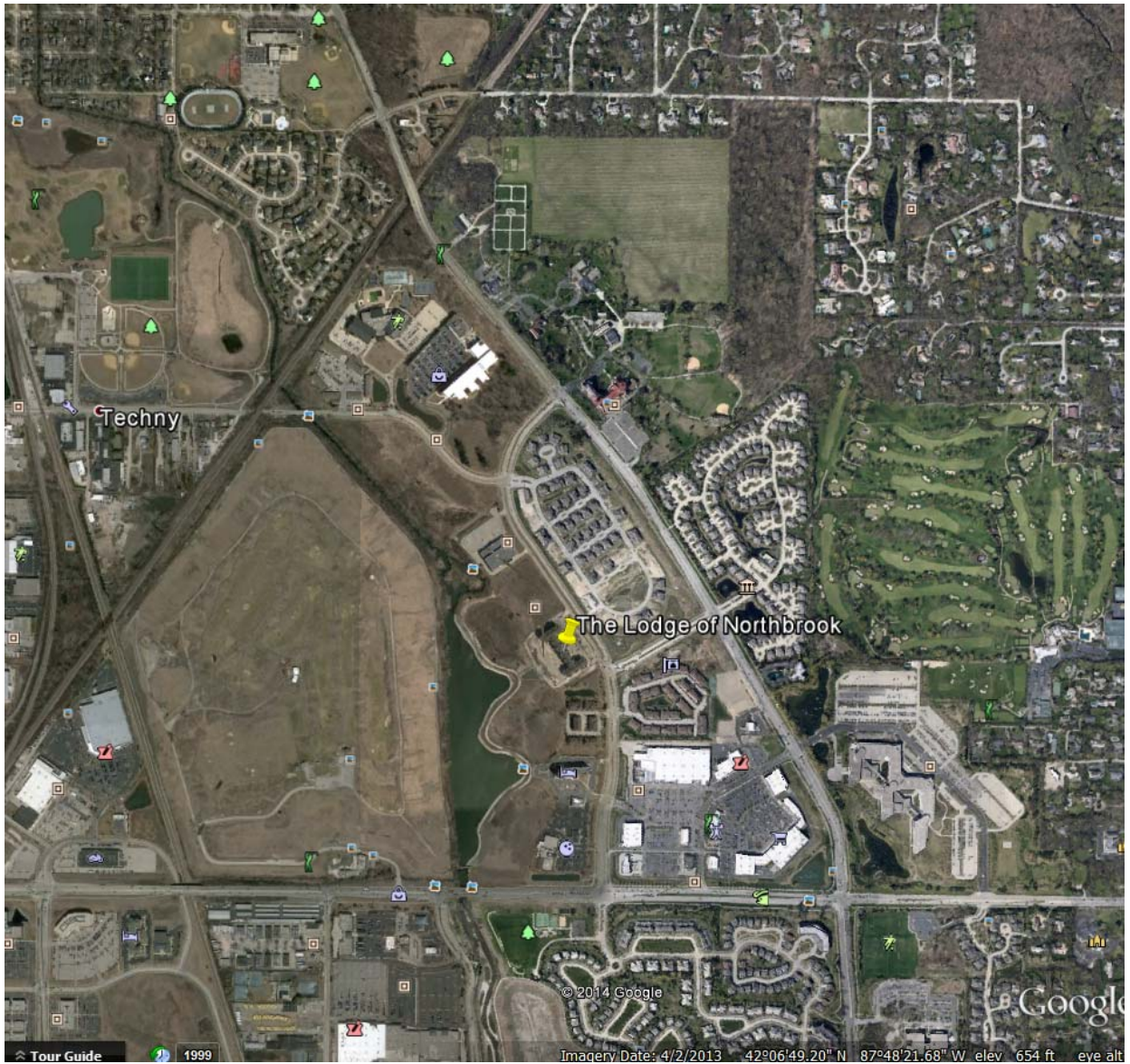
Borrower’s Counsel:	Kutak Rock LLP	Howard Fredrick Hahn, Omaha, NE
Bond Counsel:	Baird Holm	Chuck Addy, Omaha, NE
Bond Purchaser:	Great Western Bank	Gordon Hamisch, Omaha, NE
Accountant:	Lutz & Company	Shawn Wederquist, Omaha, NE
Architect:	Wenzlau Architects	Charlie Wenzlau, Bainbridge Island, WA
General Contractor:	McShane Construction Company	Matt Dougherty, Chicago, IL
Issuer’s Counsel:	Hinshaw & Culbertson LLP	Leslie Richards-Yellen, Chicago, IL
IFA Financial Advisor:	Acacia Financial Group, Inc.	Jim Beck, Chicago, IL

LEGISLATIVE DISTRICTS

Congressional: 9
State Senate: 9
State House: 17

SERVICE AREA

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





October 16, 2014

\$43,000,000
Villa St. Benedict

REQUEST	<p>Purpose: Bond proceeds will be used by Villa St. Benedict (the “Corporation” or the “Borrower”) to: (i) refund all or a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003A-1 (the “Prior Bonds”); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the “Financing Purposes”).</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 project has been presented to the IFA Board of Directors.																				
JOB DATA	<table border="0"> <tr> <td>125</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	125	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected												
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N/A	Retained jobs	N/A	Construction jobs projected																		
DESCRIPTION	<ul style="list-style-type: none"> • Location: Lisle (DuPage County/Northeast Region) • Villa St. Benedict (the “Corporation”) was incorporated on June 25, 2000, under the Minnesota Non-Profit Corporation Law exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC). The Corporation has two corporate members: the Benedictine Sisters of the Sacred Heart (BSSH) and Benedictine Health System (BHS). The Corporation was created and organized to own, maintain, operate, and conduct facilities for long-term and congregate care, and assisted and independent living to the elderly in a single campus community in Lisle, Illinois. • The Corporation owns and operates a continuing care community, which includes 56 independent living villas, 141 independent living apartments, 65 assisted living units (including 14 memory support units), an underground parking structure, and related common areas. 																				
SECURITY	<ul style="list-style-type: none"> • The Bonds are expected to be secured by an assignment of a first leasehold mortgage and a collateral assignment of rents and leases. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • The Corporation is a non-rated, single-purpose entity whose only current property is the subject project facility which it owns, on ground leased from BSSH (one of its corporate members, under a ground lease subject to extension). 																				
STRUCTURE	<ul style="list-style-type: none"> • The Bonds will be a direct purchase of a tax exempt mortgage with a single lender. 																				
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$40,000,000</td> <td>Refinancing</td> <td>\$39,950,000</td> </tr> <tr> <td>Trustee Held Funds</td> <td><u>\$2,850,000</u></td> <td>Legal/Professional</td> <td>\$900,000</td> </tr> <tr> <td></td> <td></td> <td>Working Capital Reserve</td> <td><u>\$2,000,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$42,850,000</u></td> <td>Total</td> <td><u>\$42,850,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$40,000,000	Refinancing	\$39,950,000	Trustee Held Funds	<u>\$2,850,000</u>	Legal/Professional	\$900,000			Working Capital Reserve	<u>\$2,000,000</u>	Total	<u>\$42,850,000</u>	Total	<u>\$42,850,000</u>
Sources:		Uses:																			
IFA Bonds	\$40,000,000	Refinancing	\$39,950,000																		
Trustee Held Funds	<u>\$2,850,000</u>	Legal/Professional	\$900,000																		
		Working Capital Reserve	<u>\$2,000,000</u>																		
Total	<u>\$42,850,000</u>	Total	<u>\$42,850,000</u>																		
RECOMMENDATION	Credit Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 16, 2014**

Project: Villa St. Benedict

STATISTICS

Project Number:	H-SL-TE-CD-8705	Amount:	\$43,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
City:	Lisle	County/Region:	DuPage/Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by Villa St. Benedict (the “**Corporation**” or the “**Borrower**”) to: (i) refund all or a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003A-1 (the “**Prior Bonds**”); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	125	Projected new jobs:	N/A
Retained jobs:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$40,000,000	Refinancing	\$39,950,000
Trustee Held Funds	<u>\$2,850,000</u>	Legal & Professional	\$900,000
		Working Capital Reserve	<u>\$2,000,000</u>
Total	<u>\$42,850,000</u>	Total	<u>\$42,850,000</u>

FINANCING SUMMARY

Security:	The proposed bank-purchased Refunding Bonds are expected to be secured by a first leasehold mortgage on the Villa St. Benedict project and a collateral assignment of rents and leases.
Structure:	The Series 2014 Note will be issued in an amount to allow for the redemption of all outstanding 2003 bonds issued by the Authority. The purchaser of the 2014 Note has not been determined as of this date. The Borrower and Placement Agent (Piper Jaffray) are in negotiations with several commercial banks to purchase the subject Refunding Note. The purchasing bank will be identified at the time this financing returns to the IFA Board for consideration of a Final Bond Resolution to authorize issuance of the proposed Refunding Bonds subject to business terms and conditions acceptable to the purchasing bank and the Corporation. The plan of finance contemplates the issuance of fixed rate Note with a direct purchase of a tax-exempt mortgage with a single lender.
Interest Rate:	Fixed market interest rate to be negotiated by the Corporation and bank based on prevailing market rates for 15-year fixed rate debt. After 15-years, it is anticipated that the Bank and Corporation will have an option to renew for the remaining 10-year term.
Interest Mode:	Fixed rate of interest with monthly payments.
Maturity:	It is anticipated that the final maturity date will be 15 years (December 2029). Amortization will be based on 25 years and level debt service payments.
Rating:	The subject bonds will be directly purchased by a commercial bank. The Corporation is currently non-rated and does not intend to apply for a rating in connection with this refinancing.
Estimated Closing Date:	December, 2014
Rationale:	<p>The purpose of this refinancing is to provide significant interest savings and to reduce the monthly debt service burden by an estimated \$45,000 to \$50,000 per month (depending on the final interest rate as negotiated by the Corporation and bank) or \$550,000 to \$575,000 per annum. The proposed IFA Series 2014 Refunding Bonds will enable the Corporation to continue to provide a high quality living environment and services to the seniors they serve as they continue to fill the Independent Living Units at the Villa St. Benedict campus. Based on the significant proposed savings and continuing increased occupancy, the Villa St. Benedict Project will help continue improved financial performance by the Project.</p> <p>As a result of the proposed IFA Series 2014 Refunding Issue, existing bondholders will be paid in full.</p>

PROJECT SUMMARY

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

BUSINESS SUMMARY

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

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

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

Although the Borrower has operated the campus under a Forbearance Agreement since August 1, 2010, after much effort the interest due to the Bondholders is current and paid in full. During the extended fill period, BHS and the Sisters have advanced cash to cover operating losses and certain amounts due for debt service. BHS has taken back notes to evidence the advances, but to date cash flow has been insufficient to make any payments on this obligation. It is the hope of all involved that this refinancing will allow slow and steady repayment of these obligations which will be subordinated to the proposed Notes to be issued by the Authority.

ECONOMIC DISCLOSURE STATEMENT

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

Board of Trustees:

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

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	James Broeking
Placement Agent:	Piper Jaffray & Co.	Minneapolis	Eric Lunde
Bond Counsel:	Kutak Rock, LLP	Chicago	Jerry Wallack
Counsel to Placement Agent:	Kutak Rock, LLP	Omaha, NE	Steve Likes
Purchasing Bank:	To be determined (negotiating with several commercial banks)		
Bank's Counsel:	To be selected by Purchasing Bank		
IFA Financial Advisor:	Sycamore Advisors	Chicago	Melanie Shaker
Issuer's Counsel:	Chapman & Cutler LLP	Chicago	Mike Mitchell

LEGISLATIVE DISTRICTS

Congressional:	11
State Senate:	21
State House:	42

SERVICE AREA

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: October 16, 2014

Re: Resolution Authorizing the Issuance of Not to Exceed \$10,400,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bond (Search, Inc. Project), Series 2014, the Proceeds of which are to be Loaned to Search, Inc.
IFA Series 2007 File Number: N-NP-TE-CD-7224
IFA Series 2014 File Number: N-NP-TE-CD-8703

Request:

Search, Inc., an Illinois not for profit corporation (the “**Corporation**” or “**Borrower**”), and **North Shore Community Bank & Trust Co.**, a wholly-owned subsidiary of Wintrust Financial Corporation (the “**Bank**” or “**Bond Purchaser**”), are requesting approval of a Resolution to (i) authorize execution and delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and related documents and (ii) approve related matters to effectuate the refinancing of all or a portion of the outstanding Illinois Finance Authority (“**IFA**”) Adjustable Rate Demand Revenue Bonds, Series 2007 (Search, Inc. Project) (the “**Series 2007 Bonds**”) as well the refinancing of existing conventional bank debt by issuing a Revenue Refunding Bond (Search, Inc. Project), Series 2014 (the “**Series 2014 Bond**”).

The Series 2007 Bonds are currently secured by a Direct Pay Letter of Credit from JP Morgan Chase Bank, N.A. It is anticipated that North Shore Community Bank & Trust Company (Wintrust) will purchase the Series 2014 Bond in an aggregate principal amount not to exceed \$10,400,000 and loan the proceeds thereof to the Borrower to currently refund in whole the Series 2007 Bonds, to refinance an existing debt obligation (the “**Prior Loan**”) incurred by the Borrower in connection with the acquisition of a residential group home located at 3023 W. Jerome St., Chicago, Illinois (the “**Series 2014 Project**”) and for related purposes, including but not limited to, costs of issuance (collectively, the “**Financing Purposes**”).

Again, this transaction will be considered a refunding of the Series 2007 Bonds for tax purposes. IFA’s estimated administrative fee will be \$10,000 in connection with the proposed refunding of the Series 2007 Bonds, plus an estimated \$2,175 in connection with the Series 2014 Project and related purposes, including but not limited to, costs of issuance.

Impact:

The accompanying Resolution will enable the Corporation to switch from a Direct Pay LOC-secured bond structure to a Bank Direct Purchase bond structure and realize fixed charge savings in connection with refinancing conventional bank debt with a tax-exempt bond.

Background:

The proceeds of the Series 2007 Bonds were used to (i) finance, refinance or reimburse the Corporation for all or a portion of the costs of the acquisition, construction, improvement, renovation, remodeling and equipping of certain facilities of the Corporation (the “**Project**”), (ii) refund all outstanding Illinois Finance Authority Adjustable Rate Demand Revenue Bonds (Search Developmental Center, Inc. Project), Series 2004, issued in the aggregate principal amount of \$5,455,000, of which \$4,875,000 was outstanding (the “**Prior Bonds**”), (iii) pay a portion of the interest to accrue on the Bonds and (iv) pay certain of the costs relating to the issuance of the Bonds and the credit enhancement thereof and the refunding of the Prior Bonds.

All payments relating to the Series 2007 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Bond/Bank Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser/Bank:	North Shore Community Bank & Trust Co. (Wintrust)	Chicago, IL	Kandace Lenti Katina Panagopoulos
Series 2007 Bonds			
Exiting LOC Bank:	JPMorgan Chase Bank, N.A.	New York, NY	
Exiting Remark. Agent:	J.P. Morgan Securities LLC	New York, NY	
Exiting Trustee:	BNY Mellon Trust Company, N.A.	Chicago, IL	
IFA Counsel:	Kutak Rock LLP	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

RESOLUTION NO. 2014-1016-AD_

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND (SEARCH, INC. PROJECT), SERIES 2014 THE PROCEEDS OF WHICH ARE TO BE LOANED TO SEARCH, INC.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "**Authority**") has been created by the Illinois Finance Authority Act, 20 ILCS 3501-801-1, et. seq., as amended (the "**Act**"); and

WHEREAS, SEARCH, INC., an Illinois not for profit corporation (the "**Borrower**"), has requested that the Authority issue revenue bonds consisting of the Authority's Revenue Refunding Bond (Search, Inc. Project), Series 2014 (the "**Series 2014 Bond**") in an aggregate principal amount not to exceed \$10,400,000 and loan the proceeds thereof to the Borrower to currently refund in whole the Authority's \$11,460,000 original principal amount Adjustable Rate Demand Revenue Bonds, Series 2007 (Search, Inc. Project) (the "**Series 2007 Bonds**"), to refinance an existing debt obligation (the "**Prior Loan**") incurred by the Borrower in connection with the acquisition of a residential group home located at 3023 W. Jerome St., Chicago, Illinois (the "**Series 2014 Project**") and for related purposes, including but not limited to, costs of issuance (collectively, the "**Financing Purposes**"); and

WHEREAS, proceeds of the Series 2007 Bonds were used to refund the Authority's \$5,455,000 original principal amount Adjustable Rate Demand Revenue Bonds (Search Developmental Center, Inc. Project), Series 2004 (the "**Series 2004 Bonds**"), which were issued to finance, reimburse or refinance existing debt obligations incurred by the Borrower in connection with the acquisition of various residential group homes and other commercial facilities (collectively, the "**Series 2004 Project**"), and to finance, refinance or reimburse the Borrower for the costs of the acquisition, renovation, remodeling and equipping of a new day training center located at 625 Slawin Court, Mount Prospect, Illinois, the acquisition, construction, renovation, remodeling and equipping of residential facilities and certain other capital improvements (collectively, the "**Series 2007 Project**" and together with the Series 2004 Project and the Series 2014 Project, the "**Project**"). The Project facilities ("**Project Facilities**") are all owned by Chicago Land Trust Company, as successor trustee to LaSalle Bank National Association, not personally but as successor trustee to American National Bank and Trust Company of Chicago, under Trust Agreement dated March 31, 1994 and known as Trust Number RV-012358, for the benefit of the Borrower, and the Project facilities are operated by the Borrower to provide housing for and services to adults with developmental disabilities; and

WHEREAS, the locations of the Project facilities (all in Illinois) are, as follows: (i) 8556 N. Central Park Ave., Skokie; (ii) 5141 N. Coyle Ave., Skokie; (iii) 8119 N. Karlov Ave., Skokie; (iv) 5307 W. Church St., Skokie; (v) 4000 Colfax Street, Skokie; (vi) 7716 Laramie Ave., Skokie; (vii) 7721 Kildare Ave., Skokie; (viii) 4505 N. Concord Lane, Skokie; (ix) 8611 N. Keeler Ave., Skokie; (x) 4255 W. Enfield Ave., Skokie; (xi) 2013 E. Pin Oak Drive, Mount Prospect; (xii) 1007 N. Sycamore Lane, Mount Prospect; (xiii) 908 S. Golfview Pl., Mount Prospect; (xiv) 8248 N. Gross Point Rd., Morton Grove; (xv) 9007 Austin Ave., Morton Grove; (xvi) 5000 N. New England Ave., Chicago; (xvii) 4930 N. Lincoln Ave., Chicago; (xviii) 8600 N. Hamlin Ave., Skokie; (xix) 625 Slawin Ct., Mount Prospect; (xx) 9119 Samoset Trl., Skokie; (xxi) 9525 Lorel Ave., Skokie; (xxii) 5814 Warren St., Morton Grove; (xxiii) 8832 Oriole Ave., Morton Grove; (xxiv) 7807 N. Keeler Ave., Skokie, (xxv) 2200 W. Lawrence Ln., Mount Prospect, and (xxvi) 3023 W. Jerome St., Chicago; and

WHEREAS, a draft of the following document has been previously provided to and is on file with the Authority: a Bond and Loan Agreement (the “**Bond and Loan Agreement**”) among the Authority, the Borrower and Wintrust Bank., or any affiliate thereof (the “**Purchaser**”), providing for the issuance thereunder of the Series 2014 Bond and setting forth the terms and provisions applicable to the Series 2014 Bond, the loan of the proceeds of the Series 2014 Bond to the Borrower and the obligation of the Borrower to repay such loan, including securing the Series 2014 Bond by an assignment thereunder to the Purchaser of the Authority’s right, title and interest in and to the loan repayment obligation of the Borrower thereunder;

WHEREAS, in connection with the issuance of the Series 2014 Bond, the Borrower and the Purchaser will enter into various additional documents containing certain covenants for the benefit of the Purchaser and providing certain additional security for the Series 2014 Bond.

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

Section 1. Findings. Based upon the representations of the Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrower, the Series 2014 Bond to be issued by the Authority and the facilities financed or refinanced with the proceeds of the Series 2014 Bond:

- (a) The Borrower is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois
- (b) The Borrower has properly filed with the Authority its request for assistance in providing funds to the Borrower and the funds will be used for the Financing Purposes, and the facilities financed or refinanced with the proceeds of the Series 2014 Bond will be owned and operated by the Borrower and such facilities are included within the term “*project*” as defined in the Act;
- (c) The facilities to be financed or refinanced with the proceeds of the Series 2014 Bond do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

- (d) The indebtedness to be refinanced with the proceeds of the Series 2014 Bond was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Borrower were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a “*project*” (as defined in the Act) owned or operated by the Borrower, such refinancing is in the public interest, is in connection with other financings by the Authority for the Borrower and is permitted and authorized under the Act; and
- (e) The Series 2014 Bond is being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Series 2014 Bond. In order to obtain the funds to loan to the Borrower to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2014 Bond. The Series 2014 Bond shall be issued under and secured by and shall have the terms and provisions set forth in the Bond and Loan Agreement in an aggregate principal amount not exceeding \$10,400,000. The Series 2014 Bond shall be issued in a single series designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of the Bond and Loan Agreement.

The Series 2014 Bond shall mature not later than 35 years from the date of its issuance, may be subject to serial maturities, principal installment requirements or mandatory bond sinking fund redemption as provided in the Bond and Loan Agreement and shall bear interest at fixed or variable rates not exceeding 25% per annum. The Series 2014 Bond shall be subject to redemption and to tender and be payable all as set forth in the Bond and Loan Agreement.

The Series 2014 Bond shall be issued only as fully registered bonds without coupons. The Series 2014 Bond shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson or its Vice Chairperson and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2014 Bond shall be issued and sold by the Authority and purchased by the Purchaser at a purchase price of 100% of the principal amount of the Series 2014 Bond, plus accrued interest, if any.

The Series 2014 Bond and the interest thereon shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority from the Borrower pursuant to the Bond and Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2014 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2014 Bond, (ii) the income and revenues derived by the Authority from the Borrower pursuant to the Bond and Loan Agreement and other amounts available under the Bond and Loan Agreement and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the Series 2007 Bonds to be refunded, the principal amount of the Series 2014 Bond and any names or other designations therefor, dated date, maturities, purchase price, any principal installments or mandatory sinking fund redemption dates and amounts, redemption provisions, tender provisions, the Purchaser of the Series 2014 Bond, and the interest rates of the Series 2014 Bond, all within the parameters set forth herein.

Section 3. Bond and Loan Agreement. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, Acting General Counsel, or any Assistant Executive Director, or any person duly appointed by the Members to serve in such offices on an interim basis (each an “**Authorized Officer**”), and the delivery and use, of the Bond and Loan Agreement. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Bond and Loan Agreement. The Bond and Loan Agreement shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such form of the Bond and Loan Agreement and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the terms of the Series 2014 Bond and the purchase thereof.

Section 4. Arbitrage and Tax Certificate. The Authority does hereby approve the execution and delivery of an Arbitrage and Tax Certificate relating to the tax exemption of the Series 2014 Bond in such form as customarily used by bond counsel for Authority transactions similar to the Series 2014 Bond or with such changes therein as shall be approved by, or in such final forms as are approved by, the Authorized Officer of the Authority executing the Arbitrage and Tax Certificate, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the final form of the Arbitrage and Tax Certificate.

Section 5. Authorization and Ratification of Subsequent Acts. The members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption agreements, supplemental bond and loan agreements, escrow agreements or other agreements providing for the payment of the Series 2007 Bonds and the Prior Loan, and any additional documents as may be necessary to carry out and comply with the provisions of these resolutions, the Bond and Loan Agreement and Arbitrage and Tax Certificate, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond and Loan Agreement, Arbitrage and Tax Certificate or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond and Loan Agreement.

Section 6. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

Section 8. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.