

ILLINOIS FINANCE AUTHORITY

CALL FOR SPECIAL MEETING

The undersigned, the duly appointed Chair of the Illinois Finance Authority and pursuant to Article IV, Section 3 of the Authority's By-Laws, does hereby call a Special Meeting to be held at the Authority's Chicago Office, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601 on Thursday, August 17, 2017 at 9:30 a.m. for the purpose of discussing the matters set forth on the agenda herein.

Eric R. Anderberg
Chair, Illinois Finance Authority
August 10, 2017

ILLINOIS FINANCE AUTHORITY

August 10, 2017

9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building

160 North LaSalle Street

Suite S-1000

Chicago, Illinois 60601

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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds <i>Final (One-Time Consideration)</i>						
1	Maria A. Kern	Raymond Township (Montgomery County)	\$195,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			\$195,000	-	-	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds <i>Preliminary</i>						
2	Blessing Hospital	Quincy (Adams County)	\$20,000,000	-	35	PL
TOTAL HEALTHCARE PROJECTS			\$20,000,000	-	35	

LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds <i>Final (One-Time Consideration)</i>						
3	State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017	Statewide	\$650,000,000	-	-	RF/BF
TOTAL LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS			\$650,000,000	-	-	
GRAND TOTAL			\$670,195,000	-	35	

Date: August 10, 2017

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

Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017

The proposed State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) is the culmination of over a decade of partnership between the Authority and the Illinois Environmental Protection Agency (“IEPA”) maximizing the use of federal capitalization grants and bringing needed low-cost water infrastructure financing to communities across Illinois through the State Revolving Fund Program (“SRF Program”). Less money paid in interest costs saves money for local ratepayers and taxpayers.

Like prior SRF Program bond issues in 2016 and 2013 by the Authority and prior SRF Program bond issues in 2004 and 2002 by the Authority’s predecessor, the Illinois Development Finance Authority, it is anticipated that S&P Global and Fitch will assign the SRF Program “AAA” ratings. The Series 2017 Bonds are expected to price before the end of August and close by mid-September 2017.

The sizing and timing of the Series 2017 Bonds are aimed at meeting strong demand by Illinois local governments for low-cost water infrastructure financing through direct loans from IEPA. From September 1, 2016 through June 30, 2017, IEPA had funded approximately \$713.04 million in loans by leveraging approximately \$591.69 million in bond proceeds generated by the State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016 (the “Series 2016 Bonds”), loan repayments and federal capitalization grants. The loan origination rate for the proceeds of the Series 2016 Bonds has far exceeded both (i) the federal one-year minimum spend-down requirement of 30% and (ii) the federal three-year minimum spend-down requirement of 95%. Working with IEPA, the Authority expects future SRF Program bond issues to occur on an annual basis.

The Authority thanks IEPA Director Alec Messina as well as his entire SRF Program Team, including but not limited to CFO Carol Radwine, Water Revolving Fund Finance Manager Kevin Bryant, Water Section Manager Gary Bingenheimer, Finance Manager Mark Edmiston as well as Deputy Director Donovan Griffith and Chief Legal Counsel John Kim for this opportunity to help communities throughout our state better provide an essential, public health product: clean and safe water.



Blessing Hospital, an asset for the Gem City of Quincy, Illinois

The Authority is pleased to welcome ***Blessing Hospital***, a 501(c)(3) organization and the Quincy area's sole community hospital, to our August agenda in order to issue bonds to refund its 2007 bonds issued through the City of Quincy and for new money purposes. Additionally, Blessing Hospital was the indirect beneficiary of the proceeds of the P.O.B. Project Bond, the proceeds of which were used to finance a 60,000 square foot, 3-story medical office building leased to Blessing Hospital located at its Quincy campus. The P.O.B. medical office building project was originally constructed and financed by a private, for-profit, development company with proceeds of an approximately \$11.06 million Midwestern Disaster Area Revenue Bond in 2012 issued by the Authority. On May 1, 2017, the Authority refinanced the approximately \$9.69 million outstanding balance of the Series 2012 Bond. (Midwestern Disaster Area Revenue Bonds were a temporary Private Activity Bond program authorized under the Internal Revenue Code from 2008 through 2012 pursuant to the Heartland Disaster Tax Relief Act of 2008.)

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

Respectfully,

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

Christopher B. Meister
Executive Director

Date: August 10, 2017

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

Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

Subject: ***Minutes of the July 13, 2017 Regular Meeting***

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of July in the year 2017, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

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

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
Thursday, July 13, 2017
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 20)
- II. Approval of Agenda
(page 4, line 21 through page 5, line 21)
- III. Chairman’s Remarks
(page 5, line 22 through page 6, line 16)
- IV. Message from the Executive Director
(page 6, line 17 through page 7, line 21)
- V. Consideration of the Minutes
(page 7, line 22 through page 8, line 12)
- VI. Presentation and Consideration of Financial Reports
(page 8, line 22 through page 12, line 8)
- VII. Monthly Procurement Report
(page 12, lines 8 through 21)



- VIII. Committee Reports
(page 12, line 22 through page 14, line 7)
- IX. Presentation and Consideration of the Project Reports and Resolutions
(page 14, line 8 through page 30, line 2)
- X. Other Business
(page 30, lines 3 through 23)
- XI. Public Comment
(page 30, line 23 through page 31, line 1)
- XII. Adjournment
(page 31, lines 2 through 14)

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

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

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President

- Enclosures:
- 1. Minutes of the July 13, 2017 Regular Meeting
 - 2. Voting Record of the July 13, 2017 Regular Meeting

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
July 13, 2017, at 9:30 a.m.

Report of Proceedings had at the Regular Meeting of the
Illinois Finance Authority on July 13, 2017, at the hour of
9:30, a.m., pursuant to notice, at 160 North LaSalle Street,
Suite S1000, Chicago, Illinois.

Board Meeting Final 7-13-17-2.txt
ERIC ANDERBERG, Chairman
ARLENE JURACEK
LERRY KNOX
MICHAEL W. GOETZ
ROGER POOLE
BRADLEY A. ZELLER
LYLE MCCOY
TERRY O'BRIEN
BETH SMOOTS
GEORGE OBERNAGEL (Via audio conference)

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

BRAD FLETCHER, Assistant Vice-President
RICH FRAMPTON, Vice-President
PAMELA LENANE, Vice-President
ELIZABETH WEBER, General Counsel
XIMENA GRANDA, Controller
CHRISTOPHER B. MEISTER, Executive Director
PATRICK EVANS, Agricultural Banker
TERRY FRANZEN, Procurement

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CHAIRMAN ANDERBERG: Okay. Good morning. I
would like to call the meeting to order.
Will the Assistant Secretary please call
the roll?

FLETCHER: Certainly. The time is 9:30 a.m. I
will call Members physically present first.
Mr. Goetz?

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
July 13, 2017, at 9:30 a.m.

Report of Proceedings had at the Regular Meeting of the
Illinois Finance Authority on July 13, 2017, at the hour of
9:30, a.m., pursuant to notice, at 160 North LaSalle Street,
Suite S1000, Chicago, Illinois.

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APPEARANCE:
ILLINOIS FINANCE AUTHORITY MEMBERS

8 GOETZ: Yes.
 9 FLETCHER: Ms. Juracek?
 10 JURACEK: Here.
 11 FLETCHER: Mr. Knox?
 12 KNOX: Yes.
 13 FLETCHER: Mr. McCoy?
 14 MCCOY: Here.
 15 FLETCHER: Mr. O'Brien?
 16 O'BRIEN: Here.
 17 FLETCHER: Mr. Poole?
 18 POOLE: Here.
 19 FLETCHER: Ms. Smoots?
 20 SMOOTS: Here.
 21 FLETCHER: Mr. Zeller?
 22 ZELLER: Here.
 23 FLETCHER: And Mr. Chairman?
 24 CHAIRMAN ANDERBERG: Here.

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1 FLETCHER: Mr. Chairman, a quorum of Members
 2 physically present in the room has been constituted.
 3 At this time I would like to ask if any Members
 4 would like to attend by audio conference.
 5 OBERNAGEL: Yes. This is Georg Obernagel. I'm
 6 requesting to attend the audio -- via audio
 7 conference, due to employment purposes, please.
 8 CHAIRMAN ANDERBERG: Okay. Is there is motion
 9 to approve this request, pursuant to the bylaws and
 10 policies of the Authority?
 11 KNOX: So moved.

12 GOETZ: Second.
 13 CHAIRMAN ANDERBERG: We have a motion. We have
 14 a second. All those in favor?
 15 (A chorus of ayes.)
 16 CHAIRMAN ANDERBERG: Opposed?
 17 (No response.)
 18 CHAIRMAN ANDERBERG: The eyes have it.
 19 FLETCHER: Mr. Chairman, Member Obernagel has
 20 been added to the initial quorum roll call.
 21 CHAIRMAN ANDERBERG: Okay. Does anyone wish to
 22 make any additions, edits or correction to today's
 23 agenda?
 24 FLETCHER: Chris?

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1 MEISTER: Oh, yes. Sorry about that. We would
 2 like to withdraw item No. 1, Agricultural, from today's
 3 agenda. The participation loans are no longer
 4 outstanding as of yesterday afternoon; and,
 5 therefore the request to extend, as previously
 6 contemplated, is no longer necessary.
 7 Our Controller, Six Granda, will highlight
 8 the details in her presentation.
 9 CHAIRMAN ANDERBERG: Okay. I would like to
 10 request a motion to approve the agenda as amended.
 11 Is there such a motion?
 12 O'BRIEN: So moved.
 13 POOLE: Second.
 14 CHAIRMAN ANDERBERG: We have a motion, and a
 15 second.
 16 POOLE: And a second.

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17 CHAIRMAN ANDERBERG: All those in favor?

18 (A chorus of ayes.)

19 CHAIRMAN ANDERBERG: Opposed?

20 (No response.)

21 CHAIRMAN ANDERBERG: The ayes have it.

22 Chairman's remarks. I would like to congratulate
23 and thank the staff of the IFA for closing out an
24 outstanding year last year.

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1 And you will see -- I keep seeing the
2 E-mail from yesterday, Chris' budget that the staff
3 has put together, and it reflects some of the
4 conditions and economy and, of course, some of the
5 clients we have.
6 We're anticipating maybe not quite as good
7 a year next year. And, hopefully, we can -- that
8 leads into my third thing I want to talk about is
9 the budget.

10 Love it or hate it, we have one now. And
11 the good thing for the IFA is perhaps we will not
12 see any unusual requests coming from outside our
13 normal scope, and it will help give some stability
14 to our clients for this year, coming year.

15 So with that, I'll pass it on to the
16 Executive Director.

17 MEISTER: Thank you, Mr. Chairman. I second
18 the Chairman's gratitude to the staff team. It's
19 really been a remarkable year. In the message from
20 the Executive Director, we've highlighted our

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21 project accomplishments.

22 We've discussed a number of them before:
23 Presence, the Clean Water Initiative, CenterPoint,
24 but also the Comcraft Matrix industrial revenue
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7

1 bonds, senior living in Bloomington with Westminster
2 Village, the Carle Foundation in Champaign.
3 A particularly exciting one is the
4 nonprofit multi-site affordable housing structure
5 represented by the Better Housing Foundation that
6 preserves affordable housing on the south side of
7 Chicago, Illinois Wesleyan University, and the Rehab
8 Institute of Chicago.

9 We've also, as both the newer and the
10 longer-serving Board Members know, one of the
11 outcomes of the consolidation and the first several
12 years of the Authority, is that we do have a number
13 of legacy issues.

14 As of yesterday afternoon, when I wrote
15 the message from the Executive Director, we had
16 basically management or resolution of six legacy
17 issues over the last 12 months. As of yesterday
18 afternoon, the AgriWind payoff, a 7th was added.
19 So I would like to thank the Members for
20 their support and their engagement, and I look
21 forward to a great coming year.

22 CHAIRMAN ANDERBERG: Very good. Does anyone
23 wish to make any additions, edits or corrections to
24 the minutes from June 8th of 2017?

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1 Hearing none, I would like request a
2 motion to approve the minutes.

3 GEOTZ: So moved.

4 CHAIRMAN ANDERBERG: We have motion. Do we
5 have a second?

6 MCCOY: Second.

7 CHAIRMAN ANDERBERG: We have a second. All
8 those in favor?

9 (A chorus of ayes.)

10 CHAIRMAN ANDERBERG: Opposed?

11 (No response.)

12 CHAIRMAN ANDERBERG: The ayes have it. The
13 financial report. Ms. Granda?

14 GRANDA: Good morning, everyone. I will be
15 presenting the financial report as of June 30th,
16 2017. The financial reports are preliminary,
17 unaudited and subject to change.

18 We have the two-year 2016 general fund is
19 as follows: Our estimated total annual revenue
20 equals \$5.7 million, and are \$724,000, or
21 14.6 percent higher than budget, and that is
22 primarily due to the higher closing fees, annual
23 fees and administration and service fees.

24 In June, the Authority generated \$185,000
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1 in closing fees, which is \$106,000 lower than the
2 monthly budget of \$291,000. Our estimated total

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4 annual expenses equals \$3.4 million and are 1.5
5 million, or 30.5 percent, lower than budget.

6 This was mostly driven by the vacant
7 budget of staff positions and our reduction in
8 spending on our professional services. In June, the
9 Authority reported operating expenses of \$397,000,
10 which is lower by \$15,000 from the budgeted amount
11 of \$412,000.

12 The Authority posted higher operating
13 expenses in June, compared to previous months, due
14 to our year-end accruals for legal fees in the
15 amount of \$80,000, our financial advisors in the
16 amount of \$20,000, and our audit expense in the
17 amount of \$50,000.

18 Our estimated total monthly net loss for
19 June is at \$76,000. This is due to our
20 lower-than-expected closing fees and due to our
21 year-end accruals.

22 Our estimated total annual net income is
23 at \$2.9 million. Again, the major driver of the
24 annual positive bottom line continues to be the
level of overall spending at 30.5 percent below

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1 budget, as well as higher closing fees,
2 administrative service fees, and the transfer that
3 we received from the debt service reserve fund from
4 the Series 1996 Clinic of Altgeld.

5 The Authority continues to maintain a
6 strong balance sheet. Our general fund has a net
7 position of \$56.6 million. Our total assets are at

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8 \$57,000,000, because it's been mostly all cash,
9 investments and receivables.
10 Our unrestricted cash and investments
11 totals \$41.7 million. Any questions on the
12 financial information? No?
13 Just a quick update on our financial, on
14 our audit -- on our audit -- on our audit that is
15 going on right now, our phase one of the field work
16 for the financial audit in the two-year compliance,
17 and then on June 30th of 2017; and our phase two of
18 the field work will begin on September 6th.
19 As mentioned, as was previously mentioned
20 by the Director, late on July 12, we received a
21 payment from the Exelon Corporation paying off the
22 AgriWind Agricultural participati on loan in the
23 principal amount of \$1.1 million and interest in the
24 amount of \$2,000. Any questions?

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1 Mccoy: I guess just a quick one on the
2 receivables, state receivables.
3 GRANDA: Yes.
4 Mccoy: We assume, with the budget being
5 passed, we'll get cleaned up, and there won't any
6 anymore --
7 GRANDA: I actually have a conference call this
8 afternoon to have a discussion with one of the
9 vendors, because they did say that they had received
10 an overpayment. So I'm just going to see how they
11 are going to be paying us back.

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12 Mccoy: Okay.
13 GRANDA: And I also have another call scheduled
14 to discuss the prompt payment interest that is still
15 due to the Authority.
16 Mccoy: Okay.
17 GRANDA: So, hopefully, I'll be able to get
18 some type of resolution in the next Board meeting.
19 Mccoy: Thank you.
20 CHAIRMAN ANDERBERG: Any further questions?
21 Thank you, Ms. Granda.
22 Hearing none, I would like to request a
23 motion to accept the financial reports. Do we have
24 such a motion?

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12

1 GEOTZ: So moved.
2 JURACEK: Second.
3 CHAIRMAN ANDERBERG: We have a motion and
4 second. All those in favor?
5 (A chorus of ayes.)
6 CHAIRMAN ANDERBERG: Opposed?
7 (No response.)
8 CHAIRMAN ANDERBERG: The ayes have it. The
9 monthly procurement report. Mr. Franzen?
10 FRANZEN: Good morning, Mr. Chairman, Members
11 of the Board. My name is Terry Franzen. I worked
12 on the procurement for the agency with Denise and
13 Elizabeth, formerly Denise.
14 From the procurement report, you see we've
15 executed some contracts related to the small
16 purchases for the agency. We've also completed the

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contracts, the process executing 24 contracts,
regarding the Clean Water Initiative State Revolving
Fund. Those firms are selected to be on the
approved underwriting list.

Any questions? Thank you.
CHAI RMAN ANDERBERG: Thank you. Committee reports?
KNOX: The Audit Plus Committee met yesterday
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and voted unanimously to recommend for approval of
the Resolution Authorizing and Confirming the
Execution and Delivery of an Intergovernmental
Agreement with the Central Management Services
regarding provision of internal auditing functions
and other matters related thereto, which is on
today's agenda.
Likewise, the Audit Plus Committee
recommended for approval the Authority's fiscal year
2018 budget.

CHAI RMAN ANDERBERG: Thank you.
McCoy: Mr. Chair, the Tax-exempt Conduit
Transactions Committee met earlier this morning and
voted unanimously to recommend for approval each of
the matters on today's agenda, including Bradley
University, YMCA of Rock River, Chicago and
Laborers', Navistar, and the Gibson beginning Farmer
bond amendment.
Additionally, under the other business,
staff reported on a significant new manufacturing

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prospect, whose operations may include significant
project costs that qualify for solid waste disposal
revenue bond financing.

After we learn more about the prospect
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sizing and timing needs, staff will return to the
Board with a resolution to request one additional
2017 volume cap allocation, and/or two additional
carry-forward volume cap allocations in
December 2017 or January 2018, to accommodate
reasonably anticipated volume cap demand. Thank
you.

CHAI RMAN ANDERBERG: Thank you. I would like
to ask for the general consent of the Members to
consider the Project Reports and Resolutions
collectively, and to have the subsequent recorded
vote applied to each respective individual Project
and Resolution, unless there are any specific
Project Reports and Resolutions that a Member would
like to consider separately.

GEOTZ: Mr. Chairman, I need to abstain from
item No. 4 the Chicago and Laborers' because of my
affiliation with the Laborers' Union.

CHAI RMAN ANDERBERG: Okay. Thank you. Okay.
I would like to ask the staff to now present the
Project Reports and Resolutions, which will be
considered collectively.

We'll consider item No. 4 separately at
the end. However, I would like to consider No. 8

1 first. Chris?

2 MEISTER: Thank you, Mr. Chair. The bylaws of

3 the Authority provide for the annual election of a

4 Vice-chair, in order to assist the Chairman and

5 operate in the event of any absences, and it is

6 found on agenda item or tab No. 8 in your Board

7 books.

8 Gila Bronner has been serving that role,

9 and we have left it open, because is a decision made

10 by the Members of the Authority.

11 GOETZ: Mr. Chairman, I would like to nominate

12 Gila Bronner as Vice-Chair.

13 JURACEK: I'll second it.

14 CHAIRMAN ANDERBERG: Okay. Very good. We have

15 a motion and a second. Will the Assistant Secretary

16 please call the roll?

17 FLETCHER: On the motion and second to nominate

18 Gila Bronner as vice-Chair for fiscal year 2018, I

19 will take the roll. Mr. Goetz?

20 GOETZ: Yes.

21 FLETCHER: Ms. Juracek?

22 JURACEK: Yes.

23 FLETCHER: Mr. Knox?

24 KNOX: Yes.

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1 FLETCHER: Mr. McCoy?

2 MCCOY: Yes.

3 OBERNAGEL: Yes.

4 FLETCHER: Mr. O'Brien?

5 O'BRIEN: Yes.

6 FLETCHER: Mr. Poole?

7 POOLE: Yes.

8 FLETCHER: Ms. Smoots?

9 SMOOTS: Yes.

10 FLETCHER: Mr. Zeller?

11 ZELLER: Yes.

12 FLETCHER: Mr. Chairman?

13 CHAIRMAN ANDERBERG: Yes.

14 FLETCHER: Mr. Chairman, the motion carries,

15 and Gila Bronner is elected as Vice-Chair for fiscal

16 year 2018.

17 CHAIRMAN ANDERBERG: I would like to note that

18 Gila is not here, and she did accept the nomination.

19 It's not because you are not here, you're elected.

20 MCCOY: It will teach her not to miss a

21 meeting.

22 KNOX: Don't miss a meeting.

23 CHAIRMAN ANDERBERG: Okay. Rich?

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1 FRAMPTON: Okay. Thank you, Mr. Chairman. We

2 will move on to tab 2 in the agenda, which is a

3 Final Bond Resolution for Bradley University. The

4 not-to-exceed amount is \$95,000,000.

5 This transaction is really two financings

6 in one. The first part is a \$50,000,000 new money

7 issue that will be comprised of two bank purchase

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At that time S&P assigned an A- rating and

8 series, each of \$25,000,000.
9 One series of bonds will be purchased by
10 PNC Bank. The other series will be purchased by
11 Morton Community Bank. The new money project will
12 construct a new combined business and engineering
13 complex building on Bradley's campus. It will be a
14 replacement facility.
15 The University refers to the project as
16 their conversion center. It will be a five-story,
17 271,000 square foot educational facility. And,
18 again, this will enable Bradley to provide upgraded
19 facilities and help them maintain their competitive
20 position with their peers, both regionally and
21 nationally.

22 The total cost of the convergence center
23 project is approximately \$100,000,000. So Bradley,
24 through private gifts and other equity, will be
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1 providing up to \$50,000,000 of the estimated new
2 project cost.
3 The second part of the project of this
4 project financing includes a refunding issue. This
5 refunding issue will be sold based on Bradley
6 University's S&P credit rating. The University is
7 applying to S&P for a credit rating.
8 Most recently, in fact in April, Bradley
9 had applied for a rating to S&P on their existing
10 debt to take account of the new \$50,000,000 project
11 on their balance sheet and operations.

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12 Board Meeting Final 7-13-17-2.txt
13 At that time S&P assigned an A- rating and
14 a stable outlook; and, again, that rating took into
15 account the new \$50,000,000 financing associated
16 with the Series 2017 A and B bonds.

17 So just in terms of financial performance,
18 we know they have an A- investment grade rating.
19 Recent enrollment trends, particularly for Freshman,
20 have been on the up-tick.
21 And in 2017, they've basically gotten back
22 to where they were, following a short lull. But
23 based on all those indicators, things look good, as
24 far as -- we think as far as Bradley's outlook going
forward.

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1 Again, they have a stable outlook from
2 S&P, and we recommend approval. Are there any
3 questions?
4 MCCOY: Just a comment we made coming out of
5 our Committee meeting was: One, to the amount of
6 equity that is being put in is a number, is a good
7 number; and two, and you hit on this, is the
8 enrollment swinging up is something that's certainly
9 very favorably and has really been contra to what
10 has been going in the last few years. So all good
11 news.

12 FRAMPTON: Indeed. Thank you.
13 CHAIRMAN ANDERBERG: Thank you, Rich.
14 FLETCHER: Okay. Next is tab 3 in your Board
15 books, which is a Final Bond Resolution on behalf of
16 YMCA of Rock River Valley, in a not-to-exceed amount

Page 16

Board Meeting Final 7-13-17-2.txt
17 of \$9.5 million. The YMCA of Rock River Valley is
18 an Illinois nonprofit corporation located in
19 Rockford and Loves Park.

20 It has served the Winnebago County area
21 for over 130 years. It's current six service
22 locations make YMCA Rock River Valley the third
23 largest YMCA association in Illinois currently.

24 To the transaction before you, the plan of
MARZULLO REPORTING AGENCY (312) 321-9365

20

1 finance seeks to refund the outstanding IFA 2013
2 bonds, in the approximate amount of \$5.2 million, as
3 well as refinance two interim construction loans
4 that were originated by a previous bank.

5 The 2017 bond will be directly purchased
6 by Illinois Bank & Trust, which is a subsidiary of
7 Heartland Financial USA.

8 In addition to taking out those two
9 interim construction loans, it's also expected that
10 the YMCA will finance, on a tax-exempt basis, an
11 additional \$1.48 million for renovations at its
12 flagship I.D. Pennock Family YMCA for the relocation
13 of Judson University's Rockford Campus. Judson
14 University's Rockford Campus is relocating to the
15 YMCA facility.

16 As proposed, the bank will purchase the
17 bond for the initial term of 10 years. The proposed
18 final maturity will be 21 years. That was adjusted
19 just last night.

20 The reports before you state it was 20 years.

Page 17

Board Meeting Final 7-13-17-2.txt
21 We currently anticipate it will be 20 years and one
22 month. So I will be updating that report shortly
23 after this meeting.

24 Turning to page 10 of the confidential
MARZULLO REPORTING AGENCY (312) 321-9365

21

1 section of the report, because the YMCA is a
2 nonrated entity, we did provide a three-year
3 forecast, which demonstrates they will generate
4 sufficient operating cash flows to cover the
5 proposed debt service.

6 We recommend approval, and I could take
7 any questions. Okay. We're going to skip No. 4.
8 We're going to jump ahead to tab No. 5 in your Board
9 books.

10 Tab No. 5 in your Board books is a Final
11 Bond Resolution on behalf of Navistar International,
12 Incorporated. In 2010, Navistar issued tax-exempt
13 bonds through IFA under special provisions afforded
14 to us from the American Recovery and Reinvestment
15 Act.

16 Those special provisions expired on
17 December 31st, 2010. Before that expiration,
18 approximately nine borrowers issued bonds through
19 IFA, one of which was Navistar. At this time
20 approximately \$135,000,000 is outstanding from the
21 2010 bond issue.

22 Since the 2010 bonds were issued, they
23 have experienced some operating difficulties; and,
24 accordingly, they've been in discussions with the

MARZULLO REPORTING AGENCY (312) 321-9365
Page 18

1 majority of their bondholders to provide some
 2 financial flexibility throughout their bond
 3 documents, with respect to various definitions, such
 4 as cash equivalents, permitted investments and the
 5 like, delineated that in the third paragraph of
 6 your memo for you in the impact section.
 7 In exchange for the majority of
 8 bondholders providing additional financial
 9 flexibility, the majority bondholders are requesting
 10 an interest rate increase on the 2010 bonds of 25
 11 basis points.

12 So this has been agreed to already by the
 13 majority bondholders and Navistar. We are simply
 14 being asked for our consent. This is just us
 15 providing additional and continuing customer
 16 service.

17 However, we are charging a nominal \$500
 18 fee for our time and work in this transaction. Are
 19 there any questions? Great. Thank you.

20 CHAI RMAN ANDERBERG: Thank you.
 21 EVANS: Item No. 6 is a resolution for
 22 beginning farmer bond of Patrick S. Gibson that was
 23 approved last month. The need for this resolution
 24 is to reduce the annual scheduled payment. Upon the
 MARZULLO REPORTING AGENCY (312) 321-9365

1 bank receiving an appraisal, the anticipated value
 2 for the appraisal is less than originally

3 anticipated.
 4 The bank required and lowered amount and
 5 required Mr. Gibson to inject \$97,026 into the
 6 purchase. By lowering the amount, and making the
 7 amortization schedule and the interest rate, the
 8 payments will be reduced from \$4,478 to \$4,316 per
 9 month.

10 The original amount of the loan went from
 11 \$134,363 to a point \$129,500. Any questions?

12 CHAI RMAN ANDERBERG: Thank you. Ms. Granda?

13 GRANDA: Tab No. 7 is a resolution to adopt the
 14 Authority fiscal year 2018 budget. A copy of the
 15 budget was provided in your manila folders. The
 16 fiscal year 2018 budget was discussed in detail in
 17 the Audit Plus Committee.

18 The highlights of the budget are as
 19 follows: Our total projected revenues are at
 20 \$1.027 million, and the key components are closing
 21 fees in the amount of \$2.9 million, and all other
 22 revenues at \$1.127 million.

23 Our projected operating expenses are at
 24 \$4,000,000, in comparison to fiscal year 2017

MARZULLO REPORTING AGENCY (312) 321-9365

1 actual. This is an increase of 6.2 percent. The
 2 major increase is in employee-related expenses,
 3 which includes the hiring of six new full-time
 4 employees and two interns. Is there any questions?

5 Moving on to tab No. 9, this is a
 6 resolution to adopt the fiscal year 2016 financial
 7 audit. A copy of the audit report was sent with
 Page 20

8 your Board book.
 9 The firm RSM US LLP conducted the
 10 Authority financial audit for fiscal year 2016. The
 11 audit report was released on January 12 of 2017, and
 12 this was discussed in the Audit Plus Committee in
 13 full detail. Are there any questions?
 14 Moving on to tab No. 10, this is a
 15 resolution authorizing and confirming the execution
 16 of an Intergovernmental Agreement with the
 17 Department of Central Management, and this is to
 18 provide internal auditing functions to the
 19 Authority.
 20 The Authority is mandated to have an
 21 internal auditing function. With this agreement,
 22 the Authority will be in compliance with this
 23 mandate. Is there any questions? Thank you.
 24 CHAIRMAN ANDERBERG: Thank you. Okay. I would

MARZULLO REPORTING AGENCY (312) 321-9365

1 I like to request a motion to pass and adopt the
 2 following Project Reports and Resolutions: Items 2,
 3 3, 5, 6, 7, 9 and 10. Is there such a motion?
 4 KNOX: So moved.
 5 MCCOY: Second.
 6 CHAIRMAN ANDERBERG: A motion and a second.
 7 Will the Assistant Secretary please call the roll?
 8 FLETCHER: Certainly. On motion and second,
 9 I'll call the roll. Mr. Goetz?
 10 GOETZ: Yes.
 11 FLETCHER: Ms. Juracek?

12 JURACEK: Yes.
 13 FLETCHER: Mr. Knox?
 14 KNOX: Yes.
 15 FLETCHER: Mr. McCoy?
 16 MCCOY: Yes.
 17 FLETCHER: Mr. Obernagel on the line?
 18 OBERNAGEL: Yes.
 19 FLETCHER: Mr. O'Brien?
 20 O'BRIEN: Yes.
 21 FLETCHER: Mr. Poole?
 22 POOLE: Yes.
 23 FLETCHER: Ms. Smoots?
 24 SMOOTS: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365

1 FLETCHER: Mr. Zeller?
 2 ZELLER: Yes.
 3 FLETCHER: And Mr. Chairman?
 4 CHAIRMAN ANDERBERG: Yes.
 5 FLETCHER: Mr. Chairman, the motion carries.
 6 CHAIRMAN ANDERBERG: Great. Thank you. Okay.
 7 We have to ask Member Goetz to exit the room; and,
 8 Mr. Fletcher, when he exits, we can go to No. 4.
 9 FLETCHER: Let the record reflect Member Goetz
 10 has exited the room, please.
 11 The last project on today's agenda is tab
 12 No. 4 in your Board books, which is a Final Bond
 13 Resolution on behalf of Chicagoland Laborers'
 14 District Council Training and Apprenticeship Fund in a
 15 not-to-exceed amount of \$12,950,000.
 16 As a jointly administered nonprofit Taft

17 Hartley Public Trust Fund entity, the District
18 council issued its bonds through IFA in 2008 as
19 variable rate bonds secured by a letter of credit
20 that was issued by Fifth Third Bank. The 2008 bonds
21 in the amount of \$22.5 million financed the
22 construction of a 70,000,000 square foot training
23 facility on the far west side.

24 The letter of credit issued by Fifth Third
MARZULLO REPORTING AGENCY (312) 321-9365

1 Bank, which secures the seven-day floating rate,
2 adjustable rate bonds, expires this upcoming
3 September. Accordingly, the District Council and
4 Wintrust Bank have agreed to refund the outstanding
5 debt and enter into a bank direct purchase
6 structure.
7 The refunded principal amount will be
8 approximately \$12,950,000, as previously stated.
9 The 2017 bonds will be issued in two Series, 2017A
10 will be variable rate, and the 2017B will be fixed
11 rate, in equal amounts of \$6,475,000. Again, both
12 being purchased by Wintrust Bank for an initial term
13 of 10 years.

14 The Authority is offering its standard
15 discounted fee for bonds exiting a letter of credit
16 secured structure and entering into a bank direct
17 purchase structure, which we currently estimate to
18 be just under \$16,000.
19 We recommend approval, and I can take any
20 questions.

21 O'BRIEN: Where is that located specifically,
22 do you know?
23 FLETCHER: I believe it's 5700 west, and it's
24 on Chicago's far west side.

MARZULLO REPORTING AGENCY (312) 321-9365

1 MEISTER: It's north on Central, south of Grand
2 Avenue right over that viaduct.

3 O'BRIEN: Okay.

4 MEISTER: It's really an amazing facility.

5 FLETCHER: It's one of the H streets.

6 O'BRIEN: Grand and Central, give or take?

7 MEISTER: Yeah, give or take.

8 O'BRIEN: Thank you.

9 MEISTER: It's -- one of the things that they
10 do there, which is pretty remarkable, is part of
11 their training, they lay out streets and curbs and
12 gutters and allow the apprentices and the trainees
13 to do that; and then they demolish them, and then
14 they do it again.

15 So it's -- and it's -- I think it's a
16 former Brownfield site, but it's an amazing
17 facility.

18 O'BRIEN: Thank you.

19 CHAIRMAN ANDERBERG: Thank you, Brad.

20 FLETCHER: Thank you.

21 CHAIRMAN ANDERBERG: Okay. I would like to
22 request a motion to pass and adopt Resolution item
23 No. 4. Is there such a motion?

24 MCCOY: So moved.

MARZULLO REPORTING AGENCY (312) 321-9365

1 CHAIRMAN ANDERBERG: We have a motion. Do we
 2 have a second?
 3 JURACEK: Second.
 4 OBERNAGEL: Second, Obernagel.
 5 CHAIRMAN ANDERBERG: We have a second. Will
 6 the Assistant Secretary please call the roll?
 7 FLETCHER: On the motion and second, I'll call
 8 the roll. Ms. Juracek?
 9 JURACEK: Yes.
 10 FLETCHER: Mr. Knox?
 11 KNOX: Yes.
 12 FLETCHER: Mr. McCoy?
 13 MCGOY: Yes.
 14 FLETCHER: Mr. Obernagel on the line?
 15 OBERNAGEL: Yes.
 16 FLETCHER: Mr. O'Brien?
 17 O'BRIEN: Yes.
 18 FLETCHER: Mr. Poole?
 19 POOLE: Yes.
 20 FLETCHER: Ms. Smoots?
 21 SMOOTS: Yes.
 22 FLETCHER: Mr. Zeller?
 23 ZELLER: Yes.
 24 FLETCHER: Mr. Chairman?
 MARZULLO REPORTING AGENCY (312) 321-9365

1 CHAIRMAN ANDERBERG: Yes.
 2 FLETCHER: Mr. Chairman, the motion carries.
 Page 25

3 CHAIRMAN ANDERBERG: Okay. Very good. Is
 4 there any other business to come before the Members?
 5 FLETCHER: Let the record reflect Member Goetz
 6 has returned to the room.
 7 MEISTER: Wait. And, actually, are we -- we
 8 took care of the other business in the report. I'm
 9 sorry.
 10 CHAIRMAN ANDERBERG: Very good. Hearing none,
 11 I would like to request a motion to excuse the
 12 absences of Members unable to participate today. Is
 13 there a motion?
 14 O'BRIEN: So moved.
 15 CHAIRMAN ANDERBERG: Do we have a motion and
 16 second?
 17 KNOX: Second.
 18 CHAIRMAN ANDERBERG: We have a second. All
 19 those in favor?
 20 (A chorus of ayes.)
 21 CHAIRMAN ANDERBERG: Opposed?
 22 (No response.)
 23 CHAIRMAN ANDERBERG: The ayes have it. Is
 24 there any public comment for the Members today?
 MARZULLO REPORTING AGENCY (312) 321-9365

1 None. Okay.
 2 The next regularly-scheduled meeting will
 3 be August 10th. I would like to request motion to
 4 adjourn. Is there such a motion?
 5 KNOX: So moved.
 6 GEOTZ: Second.
 7 CHAIRMAN ANDERBERG: A motion and a second.
 Page 26

8 All those in favor?
 9 (A chorus of ayes.)
 10 CHAIRMAN ANDERBERG: Opposed?
 11 (No response.)
 12 CHAIRMAN ANDERBERG: The ayes have it. Thank
 13 you. We'll see you next month.
 14 FLETCHER: The time is 9:59 a.m.
 15 (WHICH WERE ALL THE PROCEEDINGS HAD 9:59 A.M.)
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MARZULLO REPORTING AGENCY (312) 321-9365

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MARZULLO REPORTING AGENCY (312) 321-9365

32

1 STATE OF ILLINOIS }
 2 COUNTY OF COOK } SS:
 3
 4 PAMELA A. MARZULLO, C.S.R., being first duly sworn,
 5 says that she is a court reporter doing business in the city
 6 of Chicago; that she reported in shorthand the proceedings
 7 had at the Proceedings of said cause; that the foregoing is
 8 a true and correct transcript of her shorthand notes, so
 9 taken as aforesaid, and contains all the proceedings of said
 10 hearing.
 11

PAMELA A. MARZULLO

Page 27

Page 28

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

July 13, 2017

9 YEAS

0 NAYS

0 PRESENT

E	Bronner	Y	Knox	Y	Smoots
E	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	O'Brien	Y	Zeller
E	Horne	NV	Obernagel	Y	Mr. Chairman
Y	Juracek	Y	Poole		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JULY 13, 2017 AGENDA OF THE REGULAR MEETING OF THE MEMBERS, AS
AMENDED
ADOPTED

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JUNE 8, 2017 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-AG01
WITHDRAWN

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-NP02
501(c)(3) REVENUE BOND – BRADLEY UNIVERSITY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-NP03
501(c)(3) REVENUE BOND – YMCA OF ROCK RIVER VALLEY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL

RESOLUTION 2017-0713-AD04

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE ILLINOIS FINANCE AUTHORITY OF ITS REVENUE REFUNDING BOND, SERIES 2017A (CHICAGOLAND LABORERS DISTRICT COUNCIL TRAINING AND APPRENTICE FUND) AND REVENUE REFUNDING BOND, SERIES 2017B (CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND) AND LOAN THE PROCEEDS THEREOF TO CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND (THE "BORROWER") TO REFUND THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS (CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND PROJECT), SERIES 2008; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING AND APPROVING CERTAIN RELATED DOCUMENTS AND MATTERS IN CONNECTION THEREWITH
 ADOPTED

July 13, 2017

9 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-AD05
RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A
SUPPLEMENTAL INDENTURE, SUPPLEMENTING AND AMENDING THE INDENTURE
OF TRUST SECURING \$135,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT
OF ILLINOIS FINANCE AUTHORITY RECOVERY ZONE FACILITY REVENUE BONDS
(NAVISTAR INTERNATIONAL CORPORATION PROJECT) SERIES 2010; AUTHORIZING
THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE LOAN AGREEMENT
WHICH PROVIDED FOR THE LOAN OF THE PROCEEDS OF SAID BONDS TO
NAVISTAR INTERNATIONAL CORPORATION; AND AUTHORIZING AND APPROVING
RELATED MATTERS
ADOPTED*

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-AD06
RESOLUTION APPROVING REDUCED PRINCIPAL REPAYMENT PROVISION IN
CONNECTION WITH EXISTING BEGINNING FARMER BOND LOAN #2017-06-0001
ADOPTED*

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-AD07
RESOLUTION ADOPTING THE BUDGET OF THE ILLINOIS FINANCE AUTHORITY FOR
FISCAL YEAR 2018
ADOPTED*

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-AD08
RESOLUTION FOR ELECTION OF A VICE CHAIR OF THE ILLINOIS FINANCE
AUTHORITY
ADOPTED

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0713-AD09
RESOLUTION TO ACCEPT THE FISCAL YEAR 2016 FINANCIAL AUDIT
ADOPTED*

July 13, 2017

10 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2017-0713-AD10
 RESOLUTION AUTHORIZING AND CONFIRMING THE EXECUTION AND DELIVERY
 OF AN INTERGOVERNMENTAL AGREEMENT WITH CENTRAL MANAGEMENT
 SERVICES REGARDING PROVISION OF INTERNAL AUDITING FUNCTIONS, AND
 OTHER MATTERS RELATED THERETO
 ADOPTED*

July 13, 2017

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

* – Consent Agenda
 E – Denotes Excused Absence

Date: August 10, 2017

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

Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Ximena Granda, Controller

Subject: *Presentation and Consideration of Financial Reports as of July 31, 2017***

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

FISCAL YEAR 2018-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. The Monthly/Annual Operating Revenues totaled \$208 thousand, while the estimated Monthly/Annual Non-Operating Revenues totaled \$12 thousand. Total annual combined gross revenues of \$220 thousand are \$114 thousand or 34.2 % below budget; mostly due to lower than anticipated administrative and closing fees.
- b. In **July**, the Authority generated \$136 thousand in closing fees, lower than the monthly budgeted amount of \$240 thousand. Closing fees were received from: **YMCA of Rock River Valley** for \$44 thousand; **Three Crowns Park** for \$89 thousand; and three beginning farmer bonds for \$4 thousand. In July, estimated net investment gain was \$12 thousand. On July 31, the Authority received a check in the amount of \$58 thousand for payment on the State Receivables/Vendor program. The outstanding balance for the State Receivables as of July 31 is at \$36 thousand. We continue to work with the Agencies and the Office of the Comptroller to resolve the remaining balance.
- c. The Monthly/Annual estimated Operating Expenses plus Depreciation totaled \$253 thousand and are \$38 thousand or 13.3% below budget primarily due to lower than expected employee related expenses and professional services.

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

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

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

- d. In **July** the General Fund showed a Monthly/Annual Net loss \$-33 thousand due primarily to lower than expected administrative and closing fees.

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Authority, as of July 31, 2017, is a \$121.8 million agency which also accounts for \$300 million in total activity (including the Other State of Illinois Debt Fund). The Authority's bond limitation is \$28.15 billion as of July 31, 2017; the remaining capacity is \$3.25 billion. The principal amount of outstanding debt is \$24.9 billion.

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

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$56.6 million. The total assets in the General Fund are \$56.9 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$41.8 million (with \$10.8 million in cash). Notes receivables from the former Illinois Rural Bond Bank local governments total \$12.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at \$3.0 million. On July 31, the Authority received authorization from the Office of the Attorney General to write-off five uncollectible debts in the aggregate amount of \$348 thousand. The Authority will continue to work with the Office of the Attorney General to resolve the remaining uncollectible accounts.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

- a. The monthly/annual receipts for the Locally Held Fire Truck and Ambulance Revolving Loan are \$34 thousand. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority's balance sheet is \$23.1 million and \$4.2 million, respectively.

The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses in relation to the Authority's agricultural loan guarantee program. As of July 31, 2017, the Agricultural Loan Guarantee Fund has Restricted Net Position of \$10.1 million and the Agribusiness Fund has Restricted Net Position of \$7.9 million. Moreover, the Industrial Revenue Bond Insurance Fund includes restricted assets held locally by the Authority to make payouts of losses in relation to the Authority's agricultural loan guarantee program (please see Senate Bill 324, Public Acct 99-0509). The Restricted Net Position for the Industrial Revenue Bond Insurance Fund is \$11.5 million as of July 31, 2017

- b. All other nonmajor funds recorded monthly/annual revenues in the amount of \$22 thousand and expenses of \$2 thousand as of July 31, 2017. Total Net Position in the remaining non-major funds is \$37.9 million.
- c. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of \$5 thousand in the custody of the Authority.
- d. The Illinois Finance Authority NFP Development Fund has a total net position of \$13thousand.



5. AUTHORITY AUDITS AND REGULATORY UPDATES

The Fiscal Year 2017 Financial Audit Examination and the two-year Compliance Audit Examination is ongoing. The second phase of the fieldwork for the Fiscal Year 2017 Financial Audit Examination and the two-year Compliance Audit Examination will begin September 5, 2017.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

The Fiscal Year Comparison of Bonds Issued, The Fiscal Year 2018 Bonds Issued, Schedule of Debt, the State of Illinois Receivables Summary and Illinois Environmental Protection Agency Listing of Loan Awards as of June 30, 2017 are being presented as supplementary financial information, immediately following the financial reports in your Board package.

Respectfully submitted,

/s/ Ximena Granda
Controller



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2018 AS OF JULY 31, 2017
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
Operating Revenues:																
Closing Fees	\$ 136,265												\$ 136,265	\$ 240,492	\$ (104,227)	-43.3%
Annual Fees	21,005												21,005	23,292	(2,287)	-9.8%
Administrative Service Fees	-												-	4,167	(4,167)	-100.0%
Application Fees	100												100	3,000	(2,900)	-96.7%
Miscellaneous Fees	104												104	458	(354)	-77.3%
Interest Income-Loans	50,587												50,587	52,311	(1,724)	-3.3%
Other Revenue	164												164	167	(3)	-1.6%
Total Operating Revenue:	\$ 208,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,225	\$ 323,886	\$ (115,661)	-35.7%
Operating Expenses:																
Employee Related Expense	\$ 133,489												\$ 133,489	\$ 148,034	\$ (14,545)	-9.8%
Professional Services	75,916												75,916	98,083	(22,167)	-22.6%
Occupancy Costs	14,324												14,324	14,500	(176)	-1.2%
General & Administrative	28,531												28,531	28,125	406	1.4%
Depreciation and Amortization	1,177												1,177	3,417	(2,240)	-65.6%
Total Operating Expense	\$ 253,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,437	\$ 292,159	\$ (38,722)	-13.3%
Operating Income(Loss)	\$ (45,212)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,212)	\$ 31,727	\$ (76,939)	242.5%
Nonoperating Revenues (Expenses)																
Miscellaneous Non-Operatg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Bad Debt Adjustments (Expense)	-												-	167	(167)	-100.0%
Interest and Investment Income*	14,971												14,971	20,833	(5,862)	-28.1%
Realized Gain (Loss) on Sale of Invest	(3,209)												(3,209)	(2,083)	(1,126)	54.0%
Net Appreciation (Depr) in FV of Invest	N/A												-	(8,333)	8,333	-100.0%
Total Nonoperating Rev (Exp)	\$ 11,762												\$ 11,762	\$ 10,583	\$ 1,179	11.1%
Net Income (Loss) Before Transfers	\$ (33,450)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,450)	\$ 42,310	\$ (75,760)	-179.1%
Transfers:																
Transfers in from other funds	\$ 58,296												\$ 58,296	\$ -	58,296	0.0%
Transfers out to other funds	(58,296)												(58,296)	-	(58,296)	0.0%
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Income (Loss)	\$ (33,450)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,450)	\$ 42,310	\$ (75,760)	-179.1%

*Interest and Investment income for the month of July are estimates

** Net Appreciation (Depr) in FV of Investments is not available as of August 2, 2017



ILLINOIS FINANCE AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND NET INCOME
 IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 FOR FISCAL YEAR 2018 AS OF JULY 31, 2017
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND*	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:							
Closing Fees	\$ 136,265	\$ -	\$ -	\$ -	\$ 136,265	\$ 136,265	\$ -
Annual Fees	21,005	-	-	-	21,005	21,005	-
Administrative Service Fees	-	-	-	-	-	-	-
Application Fees	100	-	-	-	100	100	-
Miscellaneous Fees	104	34,148	-	-	34,252	34,252	-
Interest Income-Loans	50,587	1,225	-	2,624	54,436	54,436	-
Other Revenue	164	-	-	-	164	164	-
Total Operating Revenue:	\$ 208,225	\$ 35,373	\$ -	\$ 2,624	\$ 246,222	\$ 246,222	\$ -
Operating Expenses:							
Employee Related Expense	\$ 133,489	\$ -	\$ -	\$ -	\$ 133,489	\$ 133,489	\$ -
Professional Services	75,916	-	-	57	75,973	75,973	-
Occupancy Costs	14,324	-	-	-	14,324	14,324	-
General & Administrative	28,531	-	-	-	28,531	28,531	-
Interest Expense	-	-	-	207	207	207	-
Depreciation and Amortization	1,177	-	-	-	1,177	1,177	-
Total Operating Expense	\$ 253,437	\$ -	\$ -	\$ 264	\$ 253,701	\$ 253,701	\$ -
Operating Income(Loss)	\$ (45,212)	\$ 35,373	\$ -	\$ 2,360	\$ (7,479)	\$ (7,479)	\$ -
Nonoperating Revenues (Expenses):							
Miscellaneous non-opertg rev/(exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income*	14,971	1,326	4,357	18,937	39,591	39,591	19
Realized Gain (Loss) on sale of investment	(3,209)	(687)	(2,769)	49	(6,616)	(6,616)	-
Net Appreciation (Depr) in fair value of investments**	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	\$ 11,762	\$ 639	\$ 1,588	\$ 18,986	\$ 32,975	\$ 32,975	\$ 19
Net Income (Loss) Before Transfers	\$ (33,450)	\$ 36,012	\$ 1,588	\$ 21,346	\$ 25,496	\$ 25,496	\$ 19
Transfers:							
Transfers in from other funds	\$ 58,296	\$ -	\$ -	\$ -	\$ 58,296	\$ 58,296	\$ -
Transfers out to other funds	(58,296)	-	-	-	(58,296)	(58,296)	-
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ (33,450)	\$ 36,012	\$ 1,588	\$ 21,346	\$ 25,496	\$ 25,496	\$ 19

*Interest and Investment income for the month of July are estimates

** Net Appreciation (Depr) in FV of Investments is not available as of August 2, 2017



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 July 31, 2017

(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:								
Current Assets:								
Unrestricted:								
Cash & cash equivalents	\$ 10,764,973	\$ -	\$ -	\$ 37,396	\$ 10,802,369		\$ 10,802,369	\$ -
Investments	24,813,361	-	-	2,577,024	27,390,385		27,390,385	-
Accounts receivable, Net	77,418	-	-	-	77,418		77,418	-
Loans receivables, Net	135,247	-	-	-	135,247		135,247	-
Accrued interest receivable	569,029	-	-	9,000	578,029		578,029	-
Bonds and notes receivable	1,604,100	-	-	-	1,604,100		1,604,100	-
Due from other funds	11,510	-	-	-	11,510		11,510	-
Prepaid Expenses	16,986	-	-	-	16,986		16,986	-
Total Current Unrestricted Assets	\$ 37,992,624	\$ -	\$ -	\$ 2,623,420	\$ 40,616,044	\$ -	\$ 40,616,044	\$ -
Restricted:								
Cash & Cash Equivalents	\$ -	\$ 460,144	\$ 2,563,764	\$ 3,617,240	\$ 6,641,148	\$ 142,195,726	\$ 148,836,874	\$ 5,085
Investments	-	2,351,444	-	6,929,471	9,280,915	69,536,500	78,817,415	-
Accrued interest receivable	-	16,022	500	32,162	48,684	77,312	125,996	-
Due from other funds	-	-	-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-	-	-
Loans receivables, Net	-	1,743,938	264,320	23,044	2,031,302	-	2,031,302	-
Total Current Restricted Assets	\$ -	\$ 4,571,548	\$ 2,828,584	\$ 10,601,917	\$ 18,002,049	\$ 211,809,538	\$ 229,811,587	\$ 5,085
Total Current Assets	\$ 37,992,624	\$ 4,571,548	\$ 2,828,584	\$ 13,225,337	\$ 58,618,093	\$ 211,809,538	\$ 270,427,631	\$ 5,085
Non-current Assets:								
Unrestricted:								
Investments	\$ 6,212,819	\$ -	\$ -	\$ 1,700,646	\$ 7,913,465		\$ 7,913,465	\$ -
Loans receivables, Net	2,261,333	-	-	-	2,261,333		2,261,333	-
Bonds and notes receivable	10,465,037	-	-	-	10,465,037		10,465,037	-
Total Noncurrent Unrestricted Assets	\$ 18,939,189	\$ -	\$ -	\$ 1,700,646	\$ 20,639,835	\$ -	\$ 20,639,835	\$ -
Restricted:								
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	4,980,756	4,980,756	3,348,286	8,329,042	-
Funds in the custody of the Treasurer	-	256,716	-	18,091,104	18,347,820	-	18,347,820	-
Accrued interest receivable	-	-	-	-	-	-	-	-
Loans receivables, Net	-	18,261,413	1,408,640	130,663	19,800,716	-	19,800,716	-
Bonds and notes receivable from primary government	-	-	-	-	-	441,782,510	441,782,510	-
Bonds and notes receivable from State component units	-	-	-	-	-	9,548,878	9,548,878	-
Total Noncurrent Restricted Assets	\$ -	\$ 18,518,129	\$ 1,408,640	\$ 23,202,523	\$ 43,129,292	\$ 454,679,674	\$ 497,808,966	\$ -
Capital Assets								
Capital Assets	\$ 803,402	\$ -	\$ -	\$ -	\$ 803,402	\$ -	\$ 803,402	\$ -
Accumulated Depreciation	(791,924)	-	-	-	(791,924)	-	(791,924)	-
Total Capital Assets	\$ 11,478	\$ -	\$ -	\$ -	\$ 11,478	\$ -	\$ 11,478	\$ -
Total Noncurrent Assets	\$ 18,950,667	\$ 18,518,129	\$ 1,408,640	\$ 24,903,169	\$ 63,780,605	\$ 454,679,674	\$ 518,460,279	\$ -
Total Assets	\$ 56,943,291	\$ 23,089,677	\$ 4,237,224	\$ 38,128,506	\$ 122,398,698	\$ 666,489,212	\$ 788,887,910	\$ 5,085
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,860	\$ 408,860	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,860	\$ 408,860	\$ -
Total Assets & Deferred Inflows of Resources	\$ 56,943,291	\$ 23,089,677	\$ 4,237,224	\$ 38,128,506	\$ 122,398,698	\$ 666,898,072	\$ 789,296,770	\$ 5,085



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 July 31, 2017

(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:								
Current Liabilities:								
Payable from unrestricted current assets:								
Accounts payable	\$ 22,906	\$ -	\$ -	\$ -	\$ 22,906	\$ -	\$ 22,906	\$ -
Accrued liabilities	109,174	-	-	-	109,174	-	109,174	-
Due to employees	95,721	-	-	-	95,721	-	95,721	-
Due to primary government	50,001	-	-	-	50,001	-	50,001	-
Due to other funds	11,341	-	-	-	11,341	-	11,341	-
Other liabilities	-	-	-	-	-	-	-	5,084
Unearned revenue, net of accumulated amortization	56,250	-	-	-	56,250	-	56,250	-
Total Current Liabilities Payable from Unrestricted Current Assets	\$ 345,393	\$ -	\$ -	\$ -	\$ 345,393	\$ -	\$ 345,393	\$ 5,084
Payable from restricted current assets:								
Accounts payable	-	-	-	-	-	-	-	-
Obligation under securities lending of the State Treasurer	-	-	-	-	-	-	-	-
Accrued interest payable	\$ -	\$ -	\$ -	\$ 1,859	\$ 1,859	\$ 2,320,288	\$ 2,322,147	\$ -
Due to other funds	-	-	-	169	169	-	169	-
Due to primary government	-	-	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	22,665,000	22,665,000	-
Bonds and notes payable from State component units	-	-	-	-	-	1,148,809	1,148,809	-
Current portion of long term debt	-	-	-	61,190	61,190	-	61,190	-
Other liabilities	-	-	-	-	-	29,192	29,192	-
Total Current Liabilities Payable from Restricted Current Assets	\$ -	\$ -	\$ -	\$ 63,218	\$ 63,218	\$ 26,163,289	\$ 26,226,507	\$ -
Total Current Liabilities	\$ 345,393	\$ -	\$ -	\$ 63,218	\$ 408,611	\$ 26,163,289	\$ 26,571,900	\$ 5,084
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Assets	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,136,104	\$ 626,136,104	\$ -
Bonds and notes payable from State component units	-	-	-	-	-	14,598,679	14,598,679	-
Noncurrent portion of long term debt	-	-	-	187,322	187,322	-	187,322	-
Noncurrent loan reserve	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	\$ -	\$ -	\$ -	\$ 187,322	\$ 187,322	\$ 640,734,783	\$ 640,922,105	\$ -
Total Noncurrent Liabilities	\$ 585	\$ -	\$ -	\$ 187,322	\$ 187,907	\$ 640,734,783	\$ 640,922,690	\$ -
Total Liabilities	\$ 345,978	\$ -	\$ -	\$ 250,540	\$ 596,518	\$ 666,898,072	\$ 667,494,590	\$ 5,084
Net Position:								
Net Investment in Capital Assets	\$ 11,478	\$ -	\$ -	\$ -	\$ 11,478	\$ -	\$ 11,478	\$ -
Restricted for Locally Held Agricultural Guarantees	-	-	-	11,481,603	11,481,603	-	11,481,603	-
Restricted for Public Safety Loans	-	23,053,665	4,235,636	-	27,289,301	-	27,289,301	-
Restricted for Agricultural Guarantees and Rural Development Loans	-	-	-	19,777,512	19,777,512	-	19,777,512	-
Restricted for Renewable Energy Development	-	-	-	2,261,518	2,261,518	-	2,261,518	-
Restricted for Credit Enhancement	-	-	-	-	-	-	-	-
Restricted for Low Income Community Investments	-	-	-	12,653	12,653	-	12,653	-
Unrestricted	56,619,285	-	-	4,323,334	60,942,619	-	60,942,619	-
Current Change in Net Position	(33,450)	36,012	1,588	21,346	25,496	-	25,496	1
Total Net Position	\$ 56,597,313	\$ 23,089,677	\$ 4,237,224	\$ 37,877,966	\$ 121,802,180	\$ -	\$ 121,802,180	\$ 1
Total Liabilities & Net Position	\$ 56,943,291	\$ 23,089,677	\$ 4,237,224	\$ 38,128,506	\$ 122,398,698	\$ -	\$ 789,296,770	\$ 5,085



STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF August 3, 2017

As of November 1, 2015 the Illinois Finance Authority has purchased the following receivables on behalf of the State of Illinois, pursuant to Resolutions 2015-1112-AD11 and 2016-0211-AD07:

Vendor	Payment dates	Amount
Cosgrove Distributors Inc.	12/21/2015	\$9,225.92
	Payment received by IFA	(<u>\$9,225.92</u>)
	Balance due from Cosgrove Distributors	\$0.00
Grayboy Building Maintenance	12/16/2015	\$15,790.36
	Payment received by IFA	(<u>\$15,790.36</u>)
	Balance due from Grayboy Building Maint.	\$0.00
M. J. Kellner Co. Inc.	12/28/2015	\$1,806,912.20
M. J. Kellner Co. Inc.	3/31/2016	1,929,224.10
	Payment received by IFA	(<u>\$3,732,458.28</u>)
	Balance due from M.J. Kellner	\$3,678.02
Smith Maintenance Company	11/25/2015	\$251,665.26
Smith Maintenance Company	12/29/2015	125,832.63
Smith Maintenance Company	2/10/2016	129,811.11
Smith Maintenance Company	3/21/2016	151,826.83
Smith Maintenance Company	4/14/2016	151,826.83
Smith Maintenance Company	5/19/2016	151,826.83
Smith Maintenance Company	6/23/2016	107,795.38
Smith Maintenance Company	7/21/2016	107,795.38
		<u>\$1,178,380.25</u>
	Payment received by IFA	(<u>1,178,380.25</u>)
	Balance due from Smith Maintenance	\$0.00
Sysco St. Louis LLC	12/16/2015	\$32,418.85
Total State of Illinois Assigned/Purchased Receivables		\$4,971,951.65
Total State of Illinois Assigned/Purchased Receivables Payment Received		\$4,935,854.78
Balance due from State of Illinois Assigned/Purchased Receivables		<u>\$36,096.87</u>

ILLINOIS ENVIROMENTAL PROTECTION AGENCY
LISTING OF
LOAN AWARDS
FROM SEPTEMBER 1,2016 THROUGH JUNE 30, 2017

Project Number	Borrower Name	County	Loan Date	Loan Amount
L174840	Salt Creek S.D.	DuPage	9/6/2016	\$ 8,135,738.00
L175054	Wheaton S.D.	DuPage	10/3/2016	\$ 811,685.00
L175214	Rock River Water Reclamation District	Winnebago	10/4/2016	\$ 18,628,750.96
L175372	Metropolitan Water Reclamation District of Greater Chicago	Cook	10/4/2016	\$ 1,442,000.00
L175107	Evanston	Cook	10/11/2016	\$ 1,634,816.00
L175349	Aviston	Clinton	10/11/2016	\$ 2,036,164.78
L175231	Carmi	White	10/18/2016	\$ 1,500,000.00
L175371	Metropolitan Water Reclamation District of Greater Chicago	Cook	10/18/2016	\$ 1,497,032.90
L175377	Fox Lake	Lake	10/18/2016	\$ 2,334,494.64
L175380	Buckley	Iroquois	10/18/2016	\$ 235,063.84
L175323	Chicago	Cook	10/21/2016	\$ 8,112,157.81
L174972	Taylorville	Christian	11/1/2016	\$ 2,860,474.68
L175123	Taylorville	Christian	11/1/2016	\$ 1,017,000.00
L174555	Metropolitan Water Reclamation District of Greater Chicago	Cook	11/20/2016	\$ 150,545,633.36
L175244	Benton	Franklin	11/21/2016	\$ 13,424,136.00
L174906	Trenton	Clinton	11/22/2016	\$ 5,596,032.00
L175353	Fox River Water Reclamation District	Kane	12/7/2016	\$ 12,925,390.00
L175384	Chicago	Cook	12/7/2016	\$ 22,326,600.00
L175035	Collinsville	Madison	12/12/2016	\$ 18,505,957.30
L175184	Hennepin Public Water District	Putnam	12/21/2016	\$ 1,262,400.00
L175096	Windsor, City of	Shelby	12/28/2016	\$ 289,349.05
L175237	Moweaqua	Shelby	12/28/2016	\$ 3,182,000.00
L175317	Wauconda	Lake	1/11/2017	\$ 1,683,487.47
L175357	Central Lake County Joint Action Water Agency	Lake	1/31/2017	\$ 5,076,836.19
L175329	Decatur	Macon	2/6/2017	\$ 9,203,831.00
L175296	Oregon	Ogle	2/14/2017	\$ 2,600,035.00
L172685	Hopedale	Tazewell	3/7/2017	\$ 2,512,400.00
L174245	Batavia	Kane	3/7/2017	\$ 30,000,000.00
L175225	Lockport	Will	3/10/2017	\$ 2,320,580.00
L175333	Champaign	Champaign	3/10/2017	\$ 12,416,984.05
L175162	Metropolitan Water Reclamation District of Greater Chicago	Cook	3/24/2017	\$ 8,656,068.50
L175243	Bartelso	Clinton	3/29/2017	\$ 1,507,937.00
L175390	Murrayville	Morgan	4/6/2017	\$ 232,949.80
L175327	Brookfield-North Riverside Water Commission	Cook	4/10/2017	\$ 15,580,000.00
L175460	Metropolitan Water Reclamation District of Greater Chicago	Cook	4/21/2017	\$ 7,546,837.31
L172899	Newark Sanitary District	Kendall	5/2/2017	\$ 2,993,202.50
L174036	Beecher	Will	5/2/2017	\$ 1,207,979.87

L174706	Joliet	Will	5/2/2017	\$	38,343,819.00
L175336	Downers Grove	DuPage	5/2/2017	\$	1,871,921.48
L175375	Thorn Creek Basin Sanitary District	Cook	5/2/2017	\$	3,683,797.86
L175403	Joliet	Will	5/2/2017	\$	6,867,674.54
L175412	Joliet	Will	5/2/2017	\$	19,315,055.00
L175427	Joliet	Will	5/2/2017	\$	7,469,476.21
L175315	Decatur	Macon	5/10/2017	\$	4,012,486.81
L175361	Chicago	Cook	5/10/2017	\$	6,707,240.04
L175396	Chicago	Cook	5/10/2017	\$	30,823,244.69
L174597	Taylorville	Christian	5/22/2017	\$	25,574,900.00
L174600	Henderson	Knox	5/22/2017	\$	1,175,000.00
L175416	Galesburg	Knox	5/24/2017	\$	1,934,697.00
L175354	Belleville	St. Clair	5/31/2017	\$	1,244,184.95
L175463	Bellflower	McLean	6/12/2017	\$	440,471.92
L175274	Lansing	Cook	6/16/2017	\$	4,900,000.00
L175359	Central Lake County Joint Action Water Agency	Lake	6/16/2017	\$	6,932,587.93
L175452	Desoto	Jackson	6/16/2017	\$	487,713.96
L175425	Kishwaukee Water Reclamation District	DeKalb	6/20/2017	\$	53,055,766.00
L175082	Oak Lawn	Cook	6/26/2017	\$	26,047,057.29
L174845	Washington	Tazewell	6/29/2017	\$	3,881,920.00
L175009	Minonk	Woodford	6/29/2017	\$	1,918,900.00
L175053	Wheaton Sanitary District	DuPage	6/29/2017	\$	6,415,640.00
L175278	Rock Island	Rock Island	6/29/2017	\$	22,198,433.77
L175319	Chicago	Cook	6/29/2017	\$	40,431,567.00
L175424	Mount Zion	Macon	6/29/2017	\$	2,794,210.00
L175459	Genoa	DeKalb	6/29/2017	\$	483,632.76
L175439	Rock Island	Rock Island	6/30/2017	\$	8,368,015.79
L175477	Rock River Water Reclamation District	Winnebago	6/30/2017	\$	3,819,533.76
				Total Loan Awards	\$ 713,040,952.77
				Total Borrowers	65

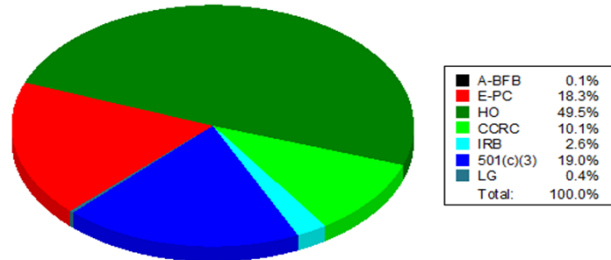
From April 1, 2017 to June 30, 2017; 33 new loans were awarded for a total amount of \$358.8 million.

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

Bonds Issued in Fiscal Year 2016

Fiscal Year 2016

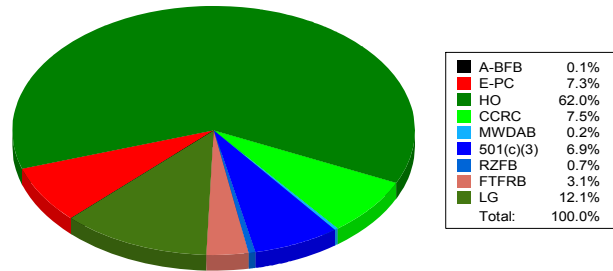
#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	3,762,495
10	Education	692,515,000
13	Healthcare - Hospital	1,869,903,000
6	Healthcare - CCRC	381,762,000
1	Industrial Revenue	100,000,000
9	501(c)(3) Not-for-Profit	717,050,000
1	Local Government	14,540,000
54		\$3,779,532,495



Fiscal Year 2017

#	Market Sector	Principal Issued
18	Agriculture - Beginner Farmer	3,765,900
7	Education	304,222,000
1	Freight Transfer Facilities Bonds	130,000,000
12	Healthcare - Hospital	2,568,650,000
7	Healthcare - CCRC	310,364,967
1	Midwest Disaster Area Bonds	9,969,162
9	501(c)(3) Not-for-Profit	286,772,000
2	Recovery Zone Facilities Bonds	28,951,409
1	Local Government	500,000,000
58		\$4,142,695,438

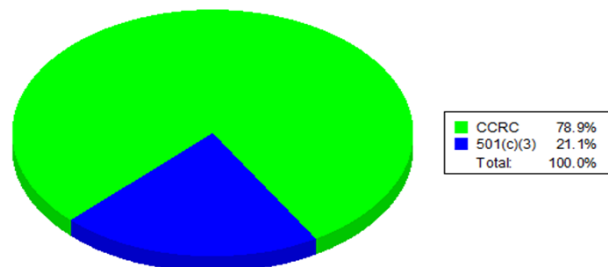
Bonds Issued in Fiscal Year 2017



Fiscal Year 2018

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	70,000
1	Healthcare - CCRC	35,465,000
1	501(c)(3) Not-for-Profit	9,500,000
3		\$45,035,000

Bonds Issued in Fiscal Year 2018



Bond Issuance Analysis

The Authority issued \$45,035,000 in conduit debt during the month of July, 2017. This is 64% lower than July, 2017 at \$70,457,400. Total issuance for FY 2018 is \$45,035,000. The IFA issued two conduit bonds and one beginner farmer bond in the first month fiscal year 2018.



**Bonds Issued and Outstanding
as of
July 31, 2017**

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

<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	07/01/2016	Variable	70,000	0
501(c)(3) YMCA of Rock River Valley	07/25/2017	Variable	9,500,000	5,234,000
CCRC Three Crown Park	07/25/2017	Variable	35,465,000	35,465,000
Total Bonds Issued as of July 31, 2017			<u><u>\$ 45,035,000</u></u>	<u><u>\$ 40,699,000</u></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, 2017 and July 31, 2017

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/06/2017	3.50	70,000	40.00	Montgomery
Total Beginner Farmer Bonds Issued		<u><u>\$ 70,000</u></u>	<u><u>40.00</u></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, 2017	July 31, 2017		
Illinois Finance Authority "IFA" ^[b]				
Agriculture	\$ 51,839,174	\$ 51,839,174		
Education	\$ 4,345,951,386	4,335,743,325		
Healthcare	\$ 15,265,699,341	15,065,512,738		
Industrial Development [includes Recovery Zone/Midwest Disaster]	\$ 889,671,685	875,018,605		
Local Government	\$ 725,285,000	704,720,000		
Multifamily/Senior Housing	\$ 153,127,575	153,041,272		
501(c)(3) Not-for Profits	\$ 1,665,996,057	1,703,287,011		
Exempt Facilities Bonds	\$ 149,915,000	249,915,000		
1 Total IFA Principal Outstanding	\$ 23,247,485,218	\$ 23,139,077,125		
Illinois Development Finance Authority "IDFA" ^[b]				
Education	496,388	496,388		
Healthcare	73,600,000	73,600,000		
Industrial Development	171,430,244	171,208,244		
Local Government	222,207,364	222,207,364		
Multifamily/Senior Housing	82,249,117	82,209,117		
501(c)(3) Not-for Profits	519,192,342	511,091,775		
Total IDFA Principal Outstanding	\$ 1,069,175,454	\$ 1,060,812,887		
Illinois Rural Bond Bank "IRBB" ^[b]				
Total IRBB Principal Outstanding	\$ -	\$ -		
Illinois Health Facilities Authority "IHFA"	\$ 294,285,000	\$ 292,775,000		
Illinois Educational Facilities Authority "IEFA"	\$ 490,472,000	\$ 488,408,000		
Illinois Farm Development Authority "IFDA" ^[1]	\$ 13,436,353	\$ 13,436,353		
Total Illinois Finance Authority Debt	\$ 25,114,854,025	\$ 24,994,509,365	\$ 28,150,000,000	\$ 3,155,490,635

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

Section I (b)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2017	July 31, 2017		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
*Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	14,050,000	14,050,000		
Total General Moral Obligations	\$ 14,050,000	\$ 14,050,000	\$ 150,000,000	\$ 135,950,000
* All the Local Government bonds were defeased as of August 1, 2014.				
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	\$ -	\$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
State Component Unit Bonds ^[c]				
Issued through IDFA ^[1]	-	-		
Issued through IFA ^[1]	599,372,488	558,452,488		
Total State Component Unit Bonds	\$ 599,372,488	\$ 558,452,488		

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

Section I (c)

	Principal Outstanding		Remaining MDAB Volume Cap
	June 30, 2017	July 31, 2017	
Midwestern Disaster Area Bonds [Flood Relief]	\$ 63,634,933	\$ 63,587,899	N/A

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

Section I (d)

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

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

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

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2017	July 31, 2017		
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, 2017	July 31, 2017		
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, 2017	July 31, 2017			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,139,615*	\$ 5,966,448	\$ 5,536,209	\$ 160,000,000	\$ 154,463,791	\$ 4,705,778
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$7,951,489*	\$ 3,229,087	\$ 3,229,087	\$ 225,000,000 ^[e]	\$ 221,770,913	\$ 2,744,724
Agri Industry Loan Guarantee Program	\$ 532,147	\$ 532,147			452,325
Farm Purchase Guarantee Program	866,646	866,646			736,649
Specialized Livestock Guarantee Program	1,251,934	1,251,934			1,064,144
Young Farmer Loan Guarantee Program	578,360	578,360			491,606
Total State Guarantees	\$ 9,195,535	\$ 8,765,296	\$ 385,000,000	\$ 376,234,704	\$ 7,450,502

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

Section V		Fund #	Principal Outstanding		Cash and Investment Balance
			June 30, 2017	July 31, 2017	
155	Fire Truck Revolving Loan Program	Fund # 572	\$ 20,057,851	\$ 20,005,351	\$ 3,084,326 *
22	Ambulance Revolving Loan Program	Fund # 334	\$ 1,672,960	\$ 1,672,960	\$ 2,564,264 *

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, 2017	July 31, 2017		
Environmental [Large Business]				
Issued through IFA	\$ 14,475,000	\$ 14,475,000		
Issued through IDFA	97,505,000	97,505,000		
Total Environmental [Large Business]	\$ 111,980,000	\$ 111,980,000	\$ 2,425,000,000	\$ 2,313,020,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 111,980,000	\$ 111,980,000	\$ 2,500,000,000	\$ 2,388,020,000

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding	
		June 30, 2017	July 31, 2017
Participation Loans			
Business & Industry	23,020,158	99,724	98,876
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	99,724	98,876
Plus: Legacy IDFA Loans in Default		936,358	936,358
Less: Allowance for Doubtful Accounts		938,353	590,099
Total Participation Loans		97,729	445,135
Local Government Direct Loans	1,289,750	627,638	627,638
Rural Bond Bank Local Government Note Receivable		12,069,137	12,069,137 *
FmHA Loans	963,250	163,518	163,518
Renewable Energy [RED Fund]	2,000,000	1,107,838	-
Total Loans Outstanding	34,353,017	14,065,860	13,305,428
IRBB funds were defeased and transferred into a note receivable with the IFA.			

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

Section VIII	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2017	July 31, 2017		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 ^[d]	\$ 185,000,000

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

^[b] State Component Unit Bonds included in balance.

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

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

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

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

Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey,

Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

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

^[i] Includes EPA Clean Water Revolving Fund

* Balances as of July 31, 2017 are estimated and subject to change.

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
August 10, 2017**

I. CONTRACTS/AMENDMENTS EXECUTED					
<i>Illinois Procurement Code- Small Purchases</i>	Vendor	Initial Term	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
	CDW Government LLC	7/1/17-06/30/18	\$422.10	Executed BOA against State Master CMS7891190	Cisco SmartNet Technical Support
	GoDaddy	08/11/17-08/10/18	\$539.76	Purchase again via Small Purchase with incumbent.	Web Hosting Server.
	GoDaddy	08/23/17-08/23/18	\$299.99	Purchase again via Small Purchase with incumbent.	SSL Certificate (*.il-fa.com) for use with Citrix

II. CONTRACTS/AMENDMENTS EXECUTED (cont'd)					
<i>Illinois Procurement Code- Exempt transaction</i>	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
	Goldman, Sachs & Co. LLC	07/07/2017-07/06/2022	N/A	Contract in process	Underwriters for State of Illinois Revolving Fund

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
August 10, 2017**

III. EXPIRING CONTRACTS					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	P.D. Morrison Enterprises	08/23/2017	\$50,000/5 yrs.	Continue with State Master 4017241. Expires 08/23/17. RFP in process.	Office Supplies.
	Bloomberg Finance L.P.	09/08/2017	\$42,000/2 yrs.	Purchase again as a brand name product per waiver and SPOD.	Shared license for 6 users.
	Anchor Staffing	09/28/2017	\$79,081	Vendor replaced. Will not be renewed.	Temporary staffing services.
	Wellspring Software, Inc.	10/16/2017	\$140	Purchase again via Small Purchase with incumbent.	PrintBoss Software for printing checks.
	Datalock	10/24/2017	\$265	Purchase again via Small Purchase with incumbent.	Mt Vernon shredding.
	Marzullo Reporting Agency, Inc.	10/31/2017	\$15,000/16 mo.	Continue with State Master. RFP in process. Expires 10/23/17. Do small purchase with alternate in interim.	Transcription for Monthly Board Meeting.
	United Parcel Service	11/21/2017	\$2,000/5 mo.	Continue with State Master CPOGS15001, expires 11/21/2017. Two 1 year renewals available.	Package delivery services
	Network Solutions	12/20/2017	\$38	Purchase again via Small Purchase with incumbent.	For site URL.

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
August 10, 2017**

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	Illinois Department of Human Services	12/31/2017	\$98	Purchase again via Small Purchase with incumbent.	Printing Services
	Mountain Valley Cooler Rental Mt Vernon	12/31/2017	\$96	Purchase again via Small Purchase with incumbent.	Rental
<i>Illinois Procurement Code-Emergency Purchase</i>	ADP TotalSource	12/31/2017	\$270,000	Use State Master CMS4819650, with Mesirow, expires 4/30/18, one 1 year renewal remaining	Employee Benefit and Payroll Services

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
August 10, 2017**

EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	Xerox Color Copier - Chgo	01/31/2018	\$5,860	Replace and lease	Lease for color copier
	DropBox	02/18/2018	\$1,670	Purchase again via Small Purchase with incumbent.	File Sharing for Board books
	First Choice Services renewal	02/25/2018	\$800	Purchase again via Small Purchase with incumbent.	Annual Water Filtration Lease
	National Tek Services, Inc	02/28/2018	\$16,601	RFQ	Symantec Backup Services 3 year renewal
	National Tek Services, Inc.	03/25/2018	\$1,750	Renew license	Trend Micro Enterprise Security for EndPoint
<i>Illinois Procurement Code-Competitive Bids</i>	Acacia Financial Group, Inc.	03/01/2018	\$225,000	RFP/Exemption	Financial Advisors
	Sycamore Advisors, LLC	03/01/2018	\$225,000	RFP/Exemption	Financial Advisors
<i>Illinois Procurement Code-Small Purchases</i>	National Tek Services, Inc	03/31/2018	\$1,245	Renew license	MailArchiva software
	Tallgrass Systems	03/31/2018	\$4,491	Purchase again via Small Purchase with incumbent.	Barracuda energizer updates and replacement
	Tallgrass Systems Limited 2017-2018	03/31/2018	\$1,649	Purchase again via Small Purchase with incumbent.	Barracuda 300A Technology Refresh
	United States Postal Service	03/31/2018	\$356	Purchase again via Small Purchase with incumbent.	PO Box 2016
<i>Illinois Procurement Code-Order Against Master</i>	Mesirow Insurance Services	04/04/2018	\$297,900	Continue with State Master CMS4819650, expires 4/30/18, one 1 year renewal remaining	Insurance Brokering Services
<i>Illinois Procurement Code-Small Purchases</i>	Com Microfilm Company, Inc. (Doc Image)	04/17/2018	\$75,000	State in process of RFP. Continue with State Master	Document Imaging

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
August 10, 2017**

EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
Illinois Procurement Code-Small Purchases	National Tek Services, Inc.-ADM Manage	04/19/2018	\$1,480	Purchase again via Small Purchase with incumbent.	Manage Engine ADMManager
	Marcor Technologies	05/6/2018	\$4,500	RFQ	MailArchiva Support 3 years
	Arbitrage Compliance Specialists	05/31/2018	\$49,000	RFP	Arbitrage Liability Calculation Services/Bond Comp
	Hewlett Packard Enterprise	05/31/2018	\$5,627	Purchase again via Small Purchase with incumbent.	Hardware Support Care Packs
	MX Save	06/12/2018	\$588	Purchase again via Small Purchase with incumbent.	Disaster Recovery for email
	GoDaddy	06/14/2018	\$150	Purchase again via Small Purchase with incumbent.	SSL Certificate for Mobile Device Management
	Merlinos & Associates	06/15/2018	\$45,040	TBD	Actuarial Services
Illinois Procurement Code-Competitive Bids	Ascent Innovations	06/23/2018	\$155,128	Renewals available for \$42K/yr.	Accounting Software Maintenance and Support
Illinois Procurement Code-Small Purchases	3rd Coast Imaging, Inc.	06/30/2018	\$10,000	TBD	Printing Services for Monthly Board Books
	Com Microfilm Company, Inc. (Maint&Supp)	06/30/2018	\$7,230	Continue with State Master. State in process with RFP	Docuware Maintenance and Support
	Novanis IT Solutions	06/30/2018	\$203	Purchase again via Small Purchase with incumbent.	Encryption of laptops
	Presidio Networked Solutions	06/30/2018	\$3,292	Continue with new State Master. Contract in process.	Production Support/Subscription VMWare

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher and Patrick Evans
Date: August 10, 2017
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$524,200 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$195,000**
- **Calendar Year Summary:** (as of August 10, 2017)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$3,003,263
 - Volume Cap Remaining: \$6,996,737
 - Average Farm Acreage: 78
 - Number of Farms Financed: 13
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - IFA conveys tax-exempt, municipal bond status onto the financing
 - Will use dedicated 2017 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel: Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A. Project Number:	30392
Borrower(s):	Kern, Maria A.
Borrower Benefit:	First Time Land Buyer
Town:	Raymond, IL
IFA Bond Amount:	\$195,000
Use of Funds:	Farmland – 80 acres of farmland
Purchase Price:	\$390,000 / \$4,875 per acre
% Borrower Equity	5%
% IFA Bonds	50% (Bank Purchased Bond – Bank secured by 1 st Mortgage)
% USDA Farm Service Agency (“FSA”)	45% (<i>Subordinate Financing – 2nd Mortgage</i>)
Township:	Raymond
County/Region:	Montgomery / Central
Lender/Bond Purchase:	First National Bank of Raymond / Scott Niehaus
Legislative Districts:	Congressional: 13
	State Senate: 48
	State House: 95

Principal shall be paid annually in installments determined pursuant to a twenty-five (25) year amortization schedule calculated at the initial interest rate. Accrued interest on the unpaid balance thereof shall be paid annually with the first interest payment date to begin February 1, 2018 with the twenty-fifth and final payment of all outstanding balances due twenty-five years from the first principal date. The note will have a 25-year amortization and maturity.

August 10, 2017

\$20,000,000
Blessing Hospital

REQUEST	<p>Purpose: Proceeds will be used by Blessing Hospital (“Blessing” or the “Borrower”): (i) to refund their 2007 Bonds issued by the City of Quincy, (ii) for new money purposes/uses, and (iii) to pay for the cost of issuance.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
BOARD ACTIONS	Preliminary Bond Resolution.																
MATERIAL CHANGES	None.																
JOB DATA	<table border="0"> <tr> <td>2,400</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>35</td> <td>Construction jobs projected</td> </tr> </table>	2,400	Current jobs	0	New jobs projected	N/A	Retained jobs	35	Construction jobs projected								
2,400	Current jobs	0	New jobs projected														
N/A	Retained jobs	35	Construction jobs projected														
DESCRIPTION	<ul style="list-style-type: none"> • Location: Quincy/West Central • Blessing Hospital is an Illinois not-for-profit corporation which operates a 307 licensed bed sole community hospital in Quincy, Illinois in Adams County. Blessing has over 50% market share in its primary service area. The Medical-Dental Staff is composed of 224 physicians, representing 40 fields of medical specialization. Blessing Hospital is a Level II trauma center serving the community of Quincy and the surrounding rural population. • Blessing Hospital offers a wide range of services including: Ambulatory Surgical Services, Anesthesiology, Angiography, Blood Component Therapy, Bone Densitometry, Cancer Care, Cardiac Angioplasty, Cardiac Atrial Fibrillation Ablation, Cardiac Diagnostic Testing, Cardiac Electrophysiology, Cardiac Rehabilitation, Cardiac Stent Placement, Care Management, Computerized Tomography (CT), Coronary Care, Diabetes Education, Discharge Planning, EEG Testing, Emergency Care/Trauma Center, Emergency Medical Services, Endoscopic Procedures, Home Care Skilled, Hospice Inpatient and Respite, Intensive Care, Intravenous Therapy, Kidney Stone Lithotripsy, Laboratory Services, Magnetic Resonance Imaging, Mammography, Maternity Care, Medical/Surgical Nursing Care, Miraluma Breast Imaging, Neurological Testing, Nuclear Medicine Testing, Nutritional Assessment, Occupational Therapy, One Day Surgery, Pain Management Services, Palliative Care, Pathology, Pediatrics, Pharmacy, Physical Therapy, Psychiatry, Pulmonary Rehabilitation, Respiratory Therapy, Robotic Surgery, Skilled Nursing Care, Sleep Center, Social Work Services, Speech Therapy, Stereotactic Breast Biopsy, Stereotactic Radiotherapy, Ultrasonography Testing, Wound Clinic/Hyperbaric Therapy and Surgical Services including Cardiac Bypass, Ear, Nose & Throat, General, Gynecological, Maxillofacial, Neurological, Ophthalmic, Oral, Orthopedic, Plastic & Reconstructive, Thoracic, Urological and Vascular. 																
SECURITY	<ul style="list-style-type: none"> • The proposed bondholder (Commerce Bank or one of its subsidiaries) will have a security interest in the Gross Revenues of the Obligated Group. 																
STRUCTURE	<ul style="list-style-type: none"> • The plan of finance contemplates a bank direct purchase by Commerce Bank or one of its subsidiaries. • Bonds will mature no later than 2057. 																
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$20,000,000</u></td> <td>Refund 2007 Bonds</td> <td>\$16,000,000</td> </tr> <tr> <td></td> <td></td> <td>New Money</td> <td><u>4,000,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$20,000,000</u></td> <td>Total</td> <td><u>\$20,000,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	<u>\$20,000,000</u>	Refund 2007 Bonds	\$16,000,000			New Money	<u>4,000,000</u>	Total	<u>\$20,000,000</u>	Total	<u>\$20,000,000</u>
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		New Money	<u>4,000,000</u>														
Total	<u>\$20,000,000</u>	Total	<u>\$20,000,000</u>														
RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2017**

Project: Blessing Hospital

STATISTICS

Project Number: 12398	Amount: \$20,000,000 (Not-to-Exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane
Location: Quincy, IL	County/Region: Adams/West Central

BOARD ACTION

Preliminary Bond Resolution	No IFA Funds at Risk
Conduit 501(c)(3) Revenue Bonds	No Extraordinary Conditions

Credit Review Committee recommends approval.

VOTING RECORD

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

PURPOSE

Proceeds will be used by **Blessing Hospital** (“**Blessing**” or the “**Borrower**”): (i) to refund their 2007 Bonds issued by the City of Quincy, (ii) for new money purposes/uses, and (iii) to pay for the cost of issuance.

VOLUME CAP

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

IFA PROGRAM AND CONTRIBUTION

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

JOBS

Current employment: 2,400	Projected new jobs: 0
Jobs retained: N/A	Construction jobs: 35

ESTIMATED SOURCES AND USES OF FUNDS

IFA Bonds	<u>\$20,000,000</u>	Refund 2007 Bonds	\$16,000,000
		New Money	<u>4,000,000</u>
Total	<u>\$20,000,000</u>	Total	<u>\$20,000,000</u>

FINANCING SUMMARY

Security:	The Bonds will be secured by a security interest in the Gross Revenues of the Obligated Group.
Structure:	The tax-exempt fixed rate Bonds will be a bank direct purchase by Commerce Bank or one of its subsidiaries.
Interest Rate:	To be determined at closing.
Interest Mode:	Fixed Rate
Credit Enhancement:	None
Maturity:	Bonds will mature no later than 2057.
Ratings (<i>Informational</i>):	Blessing's long-term ratings are currently 'A2' with a stable outlook (Moody's) and 'A' with a stable outlook (S&P).
Estimated Closing Date:	November 2017

PROJECT SUMMARY

Proceeds will be used by **Blessing Hospital** ("**Blessing**" or the "**Borrower**"): (i) to refund their 2007 Bonds, (ii) for new money purposes/uses, and (iii) to pay costs of issuance.

BUSINESS SUMMARY

Blessing Hospital ("**Blessing**") is an Illinois not-for-profit corporation which operates a 307 licensed bed sole community hospital in Quincy, Illinois in Adams County. Blessing has over 50% market share in its primary service area. The Medical-Dental Staff is composed of 224 physicians, representing 40 fields of medical specialization. Blessing Hospital is a Level II trauma center serving the community of Quincy and the surrounding rural population.

Blessing offers a wide range of services including: Ambulatory Surgical Services, Anesthesiology, Angiography, Blood Component Therapy, Bone Densitometry, Cancer Care, Cardiac Angioplasty, Cardiac Atrial Fibrillation Ablation, Cardiac Diagnostic Testing, Cardiac Electrophysiology, Cardiac Rehabilitation, Cardiac Stent Placement, Care Management, Computerized Tomography (CT), Coronary Care, Diabetes Education, Discharge Planning, EEG Testing, Emergency Care/Trauma Center, Emergency Medical Services, Endoscopic Procedures, Home Care Skilled, Hospice Inpatient and Respite, Intensive Care, Intravenous Therapy, Kidney Stone Lithotripsy, Laboratory Services, Magnetic Resonance Imaging, Mammography, Maternity Care, Medical/Surgical Nursing Care, Miraluma Breast Imaging, Neurological Testing, Nuclear Medicine Testing, Nutritional Assessment, Occupational Therapy, One Day Surgery, Pain Management Services, Palliative Care, Pathology, Pediatrics, Pharmacy, Physical Therapy, Psychiatry, Pulmonary Rehabilitation, Respiratory Therapy, Robotic Surgery, Skilled Nursing Care, Sleep Center, Social Work Services, Speech Therapy, Stereotactic Breast Biopsy, Stereotactic Radiotherapy, Ultrasonography Testing, Wound Clinic/Hyperbaric Therapy and Surgical Services including Cardiac Bypass, Ear, Nose & Throat, General, Gynecological, Maxillofacial, Neurological, Ophthalmic, Oral, Orthopedic, Plastic & Reconstructive, Thoracic, Urological and Vascular.

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ECONOMIC DISCLOSURE STATEMENT

Applicant: Blessing Hospital

Site Address: 1005 Broadway
P.O. Box 7005
Quincy, IL 62305-7005

Contact: Patrick Gerveler, Chief Financial Officer
Timothy Moore, Chief Accounting Officer
Linda Voshake, Assistant Treasurer

Website: www.blessinghospital.org

Board of Trustee

Christopher J. Niemann, *Chair*
Phillip G. Conover, *Vice Chair*
Maureen A. Kahn, *President/CEO*
Timothy A. Moore, *Secretary*
Patrick M. Gerveler, *Treasurer*
Todd Petty, MD, *Chief of Medical Staff*
Sayeed Ali
Nancy Bluhm
David Boster
Julie Brink
Dennis Go, MD
Michael R. Hulsen
Timothy D. Koontz
Thomas Miller, MD
Harsha Polavarapu, MD
Abby Reich, MD

PROFESSIONAL & FINANCIAL

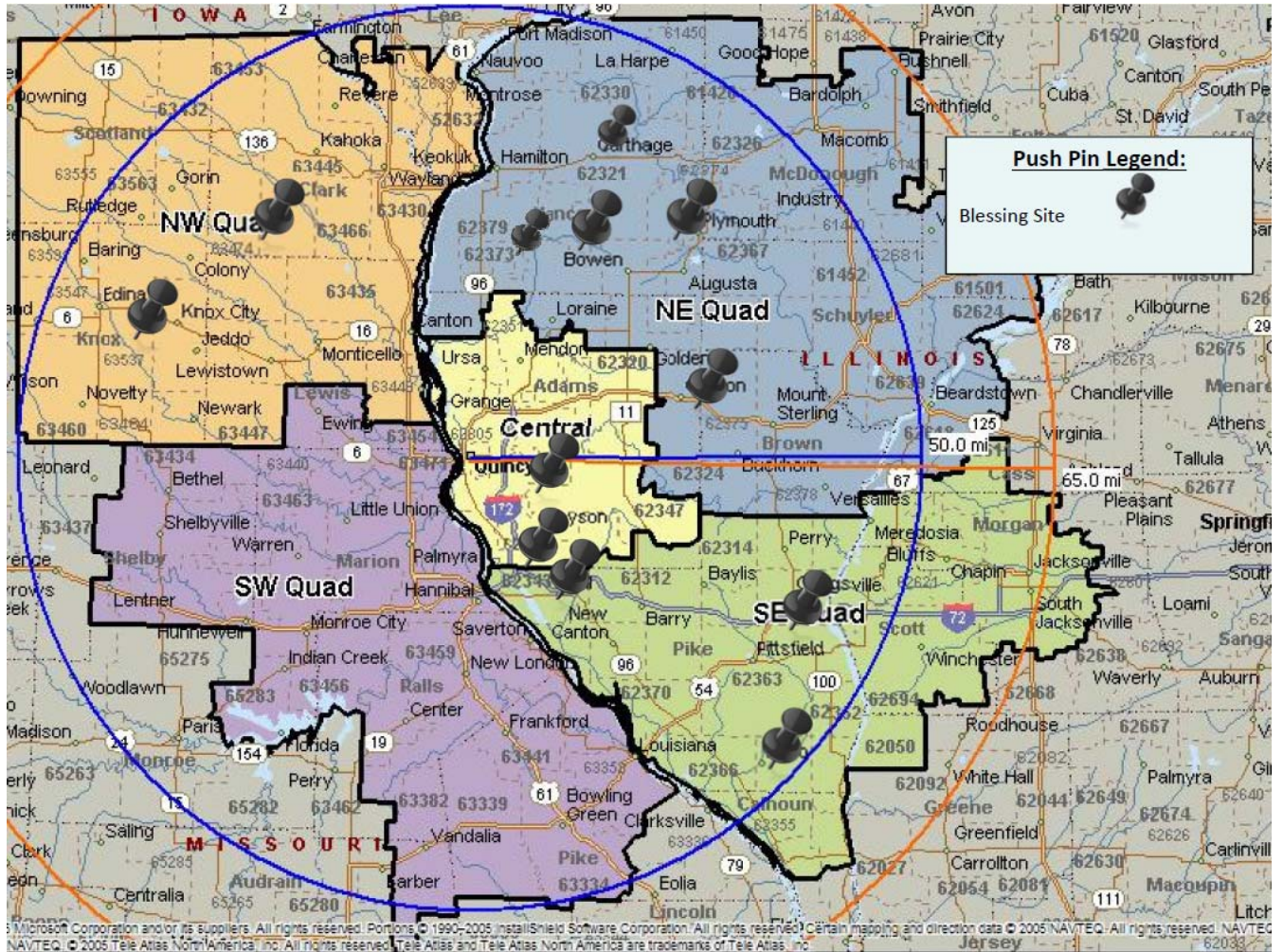
Borrower's Counsel:	Schmiedeskamp Robertson Neu & Mitchell LLP	Quincy, IL	Harold B. Oakley
Bond Counsel:	Chapman and Cutler LLP	Chicago	Rich Tomei
Bank:	Commerce Bank	Kansas City	Jennifer Elder
Bank's Counsel:	Gilmore & Bell PC	Kansas City	Scott Waller
Trustee:	Mercantile Trust & Savings Bank	Quincy, IL	Clara Ehrhart
IFA Counsel:	Miller, Hall & Triggs, LLC	Peoria, IL	Richard Joseph
IFA Financial Advisor:	Sycamore Advisors, LLC	Indianapolis, IN	Diana Hamilton, Courtney Tobin

LEGISLATIVE DISTRICTS

Congressional: 18
State Senate: 47
State House: 94

SERVICE AREA

Blessing Hospital's primary service area covers a population of over 150,000 in the Tri-State region of Illinois, Missouri and Iowa.





\$650,000,000 (Not-to-exceed amount)

August 10, 2017 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017

<p>REQUEST</p>	<p>Purpose: Proceeds of the Bonds will be used to (i) fund loans made by the Illinois Environmental Protection Agency (“IEPA”) to units of local government in the State of Illinois (“State”) to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance.</p> <p>Program: IFA State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds</p> <p>Volume Cap: <i>None required (all underlying project borrowers will be Illinois units of local government)</i></p> <p>Extraordinary Conditions: None</p>
<p>BOARD ACTION</p>	<p>Authorizing Resolution (i.e., Final Bond Resolution) <i>One-time consideration.</i></p> <p>The accompanying Authorizing Resolution will also authorize execution of a Fourth Amendment to Memorandum of Agreement between the IFA and IEPA (the “Fourth Amendment to MOA”) as well as authorize, if necessary, execution of a Third Amended and Restated Assignment of Loans (the “Restated Pledge Agreement”).</p> <p>The Fourth Amendment to MOA will further clarify that IEPA will implement the administrative rules adopted July 1, 2017 that allows IEPA to restructure existing loans under certain circumstances provided that IEPA’s implementation is compliant with the provisions of the Master Trust Agreement governing the Authority’s ability to consent to modifications of existing loans. The Restated Pledge Agreement may be necessary if additional underlying loans are pledged to better secure the Series 2017 Bonds, the Series 2013 Bonds and the Series 2016 Bonds. As currently contemplated, the plan of finance does not contemplate any additional underlying loans being pledged.</p>
<p>MATERIAL CHANGES</p>	<p>None. This is the first time this matter has been presented to the IFA Board of Directors. No prior voting record.</p>
<p>DESCRIPTION</p>	<ul style="list-style-type: none"> ● Project Locations: Statewide ● Pursuant to the Federal Clean Water Act, IEPA established a clean water state revolving fund as part of its Water Pollution Control Loan Program (the “Clean Water Program”) and, pursuant to the Federal Drinking Water Act, has established a safe drinking water state revolving fund as part of its Public Water Supply Loan Program (the “Drinking Water Program”). ● IFA is issuing the State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017 (the “Bonds”) on behalf of the IEPA (See Proposed Structure below). ● The Bonds will be structured to enable IEPA to leverage existing SRF Program assets, thereby enabling additional loan financing to Illinois local governmental units (e.g., municipalities and public sanitary districts) to finance capital improvements designed to improve both wastewater and drinking water quality to assure compliance with United States Environmental Protection Agency (“USEPA”) requirements. ● IEPA currently lends funds to municipalities according to administrative rules that set the base interest rate fixed at a rate equal to 50% of the <i>The Bond Buyer’s</i> 20-Bond General Obligation Index for the preceding State fiscal year (mean interest rate from July 1 through June 30, rounded to the nearest 0.01%). The current base interest rate is 1.76% for the Clean Water and Drinking Water Programs. ● As of July 1, 2017, IEPA began implementing administrative rules to provide discounted interest rates for small communities, applicants experiencing hardship, and applicants seeking to finance certain environmental impact projects (please see pp. 4-5 for further information).
<p>CREDIT INDICATORS</p>	<ul style="list-style-type: none"> ● The Bonds are expected to be rated ‘AAA’ by both S&P Global Ratings and Fitch Ratings. In general, payments from the pledged loans will be used to credit enhance the Bonds (to potentially service debt payments associated with the Bonds). ● The IDFA Series 2002, IFA Series 2004, IFA Series 2013, and IFA Series 2016 State Revolving Fund Revenue Bonds (the “Prior Bonds”) were rated ‘AAA’ by the applicable rating agencies.
<p>PROPOSED STRUCTURE</p>	<ul style="list-style-type: none"> ● The Bonds to be issued are the third series of bonds issued under and secured by a Master Trust Agreement dated as of November 1, 2013 (collectively, with all supplements and amendments thereto, including a Second Supplemental Master Trust Agreement and Third Supplemental Master Trust Agreement, providing for the issuance of the Bonds, the “Master Trust Agreement”). The Bonds will be secured on a parity basis with the currently outstanding \$67.32 million aggregate principal amount of the IFA Series 2013 Bonds, which refunded the IDFA Series 2002 Bonds and IFA Series 2004 Bonds, as well on a parity basis with the currently outstanding \$489.44 million aggregate principal amount of IFA Series 2016 Bonds. ● Bonds will be sold and rated as a structured financing, secured solely on the basis of the pledged loans (or assigned loans) by IEPA under the Master Trust Agreement. The Bonds will not be a direct, indirect, moral or contingent obligation of IFA, IEPA or the State. ● Bond Interest Rates: The Bonds will be priced based upon market conditions and the SRF Program’s anticipated ‘AAA’ ratings. ● Bond Maturity: Not to exceed 30 years (i.e. July 1, 2047); maximum parameter. Final maturities anticipated not to exceed 20 years.
<p>RECOMMENDATION</p>	<p>Staff recommends approval. IFA Public Board Book (Version 3), Page 62</p>

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 10, 2017**

Project: State of Illinois Clean Water Initiative

STATISTICS

IFA Project: 12403	Amount: \$650,000,000 (not-to-exceed amount)
Type: State Revolving Fund	
Revenue Bonds	IFA Staff: Rich Frampton and Brad R. Fletcher
Locations: Statewide	County/ Region: All counties in Illinois

BOARD ACTION

Authorizing Resolution (Final Bond Resolution)	
State Revolving Fund Revenue Bonds	No IFA funds at risk
Staff recommends approval	No extraordinary conditions

Notes: The previously issued Series 2016 State Revolving Fund Revenue Bonds financed a State Match Portion of approximately \$11.99 million for the Clean Water Program for Federal fiscal year 2017 in advance, which will result in Federal Receipts from the USEPA under separate Capitalization Grant Agreements (the “Capitalization Agreements”) in the approximate amount of \$59.96 million.

Likewise, the previously issued Series 2016 State Revolving Fund Revenue Bonds financed a State Match Portion of approximately \$6.88 million for the Drinking Water Program for Federal fiscal year 2017 in advance, which will result in Federal Receipts from the USEPA under separate Capitalization Agreements in the approximate amount of \$34.39 million.

USEPA is expected to provide the 2017 Federal Receipts of approximately \$94.35 million for the Clean Water Program and Drinking Water Program to IEPA in late September 2017. Accordingly, the proposed Series 2017 State Revolving Fund Revenue Bonds will not finance any required State Match Portion for Federal fiscal year 2017. The combined funds totaling \$113.22 million (i.e., State Match Portion plus Federal Receipts) will be available to be loaned by IEPA immediately to various local government capital projects throughout Illinois designed to improve drinking water and wastewater quality (and, prospectively, other projects authorized by the USEPA).

VOTING RECORD

Not applicable. This is the first time this financing has been presented to the IFA Board of Directors.

PURPOSE

Proceeds of the Bonds will be used to (i) fund loans made by the Illinois Environmental Protection Agency (“IEPA”) to units of local government in the State of Illinois (“State”) to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance.

FINANCING SUMMARY – IFA SERIES 2017 BONDS

Structure:	<p>Bonds to be underwritten by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Bank of America Merrill Lynch Securities”) (the “Senior Manager”) and Citigroup Global Markets, Inc. (the “Co-Senior Manager”).</p> <p>Academy Securities, Inc., Cabrera Capital Markets LLC, Janney Montgomery Scott LLC, Loop Capital Markets LLC, and Mesirow Financial, Inc. have been engaged as Co-Managers.</p> <p>The Bonds will be sold by the Co-Senior Managers and Co-Managers based on the expected ‘AAA’/‘AAA’ (S&P/Fitch) ratings resulting from the program security described below.</p>
Bondholder Security:	<p>The Bonds will be secured by the following (subject to exceptions that will be detailed in the Official Statement for the Series 2017 State Revolving Fund Revenue Bonds):</p> <ol style="list-style-type: none">1. All Local Obligations and Pledged Agreements (i.e., IEPA loans to local governments) which may be, from time to time assigned by IEPA to the Master (Bond) Trustee or held by the Master Trustee under the terms of the Master Trust Agreement.2. All moneys, securities and earnings thereon in all funds, sub-funds, accounts and sub-accounts established under the Master Trust Agreement and any Supplemental Master Trust Agreement.<ul style="list-style-type: none">• Exceptions: moneys deposited in the Loan Support Fee Subaccount or Rebate Fund and moneys deposited with or paid to the Master Trustee for the redemption of Bonds and any other exceptions specified in the Master Trust Agreement.3. Any and all other moneys and securities furnished from time to time to the Master Trustee under terms of the Master Trust Agreement. <p><i>The Bonds and the interest thereon do not constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or a loan of credit of the Authority, IEPA, the State, or any political subdivision thereof, within the purview of any constitutional limitation or provision. Only revenues (i.e., from IEPA local government loans) pledged pursuant to the Master Trust Agreement may be used to pay principal and interest on the Bonds.</i></p>
Credit Ratings:	<p>The anticipated long-term credit rating on the subject Bonds is ‘AAA’/‘AAA’ (S&P/Fitch) based on discussions with the financing team.</p>
Estimated Interest Rate:	<p>Fixed interest rate to be determined based on market conditions at pricing based on the anticipated ‘AAA’/‘AAA’ (S&P/Fitch) ratings.</p>
Amortization:	<p>Serial and Term Bonds with various maturities.</p>
Final Maturity Date:	<p>Not to exceed 30 years (i.e. July 1, 2047); maximum parameter. Final maturities anticipated to not to exceed 20 years.</p>
Anticipated Closing Date:	<p>September 2017</p>

**TERMS OF IEPA’S LOANS TO LOCAL GOVERNMENT BORROWERS
(ORIGINATED FROM IFA SERIES 2017 BOND PROCEEDS)**

Origination Requirements of IFA Series SRF 2017 Bond Proceeds under federal law (due to undesignated pool structure):

The IFA State Revolving Fund Revenue Bonds are being issued to enable IEPA to originate loans to (an undesignated) pool of local government borrowers (i.e., as a “pooled financing”).

As a pooled financing, the Bonds will be subject to the federal Tax Increase Prevention and Reconciliation Act (“TIPRA”) of 2005, which imposes additional requirements and conditions in order for the interest on the Bonds to be and to remain exempt from federal income taxation.

TIPRA specifies that unless certain minimum percentages of the Bond proceeds are originated (i.e., by IEPA) as loans for eligible projects within certain prescribed time periods (i.e., there are minimum origination requirements after years 1 and 3 detailed below), the IFA Series 2017 Bonds would be subject to mandatory redemption.

In particular, TIPRA requires:

1. The issuer (i.e., IFA based on reliance on a loan demand assessment provided by the IEPA) reasonably expects (a) within the one-year period beginning on the date of issue that at least 30 percent of the net proceeds of the issue will be originated as loans by IEPA, and (b) within the three-year period beginning on the date of issue, that at least 95% of the net proceeds will be originated as loans by IEPA.
2. The issuer (i.e., IFA) shall redeem outstanding bonds to the extent required if the spend-down requirements under TIPRA are not attained.

20 Year Base Rate Offered by IEPA to Underlying SRF Program Borrowers is Deeply Subsidized to Minimize Risk of Redemption due to a violation of TIPRA:

IEPA subsidizes the base interest rate provided to each underlying borrower to an amount equal to 50% of *The Bond Buyer’s* 20-Bond General Obligation Index for the preceding State fiscal year (mean interest rate from July 1 through June 30, rounded to the nearest 0.01%). The current base interest rate is fixed at 1.76% for the Clean Water and Drinking Water Programs (the “Base 20 Year Rate”). IEPA’s procedures for determining this subsidized rate (which is reset annually) are established pursuant to administrative rules (i.e., Title 35 Part 365 for the Clean Water Program and Title 35 Part 662 for the Drinking Water Program). Prior to TIPRA, the IDFA Series 2002, IFA Series 2004 and IFA Series 2013 State Revolving Fund Revenue Bonds were subject to existing IRS spend-down requirements given the undesignated pooled financing structure.

The deep, below-market interest rate offered by IEPA under the SRF Programs:

- helps drive SRF Program demand, thereby helping assure compliance with the applicable TIPRA spend-down requirements for the bond proceeds (as noted in the preceding section), and
- has been sufficient to induce several investment grade local government borrowers to participate in the SRF Programs (examples include: Chicago, DeKalb, Evanston, Hanover Park, Libertyville, Mattoon, Skokie, Springfield, St. Charles, Sterling, and Wilmette).

IEPA Small Community /Hardship Interest Rates and Environmental Impact Discount to Underlying SRF Program Borrowers:

As of July 1, 2017, IEPA began implementing administrative rules to provide discounted interest rates for small communities, applicants experiencing hardship, and applicants seeking to finance certain environmental impact projects.

Small Community Rate – Public loan applicants with a service population less than 25,000 that also meet any one of the following three criteria qualify for a fixed loan rate equal to 75% of the Base 20 Year Rate:

- The median household income of the public loan applicant's service population is less than the statewide average;
- The unemployment rate of the public loan applicant's service population is greater than the statewide average; or

- The public loan applicant's annual user charge, based upon the average monthly bill of the public loan applicant's residential customers, is greater than 1.0% of the median household income of the public loan applicant's service population.

Hardship Rate – Public loan applicants with a service population less than 10,000 that also meet any one of the following three criteria qualify for a fixed loan rate of 1.0%:

- The median household income of the public loan applicant's service population is below 70% of the statewide average;
- The unemployment rate of the public loan applicant's service population is at least 3.0% greater than the statewide average; or
- The public loan applicant's annual user charge, based upon the average monthly bill of the public loan applicant's residential customers, is greater than 1.5% of the median household income of the public loan applicant's service population.

Environmental Impact Discount – When at least 50% of the eligible project costs fund any of the following components, the loan applicant shall receive a 0.2% discount from the rates established under either the 20 Year Base Rate, Small Community Rate, or Hardship Rate:

- New projects for the collection or treatment of unsewered communities;
- Projects involving nutrient removal or nutrient loss reduction;
- Green infrastructure projects;
- Projects lowering water demand; or
- Projects reducing energy demands at a wastewater treatment facility.

Ability of Underlying
SRF Program Borrowers
to Restructure Existing
Loans:

According to IEPA, existing local government borrowers within the Clean Water and Drinking Water Programs may only restructure their current loans if the loan recipient can demonstrate that the existing loan imposes a financial hardship jeopardizing the loan recipient's ability to repay its IEPA loan. Restructuring existing IEPA loans will not be approved to reduce existing annual debt service obligations, as a financial planning tool for loan recipients, to manage future annual debt obligations, or in a situation where the loan recipient wishes to reduce existing monthly user charges or tax rates.

The loan repayments of the loan programs are pledged as a source of revenue for the repayment of bonds issued to generate funds for the loan programs. It is stipulated in the bond documents that loan modifications may only take place under the satisfaction of certain tests and that the loan recipient's revenues streams may not be diminished/diluted below required minimum coverage requirements. In addition, potentially higher minimum coverage levels are required to maintain existing ratings on the programs bonds. Therefore, IEPA must restrict approval of restructuring existing loan agreements to those cases where it is truly necessary so as not to degrade the ability of IEPA to meet its bond obligations or to adversely impact the feasibility of future leveraging efforts.

Existing loan recipients entered into a loan agreement by demonstrating a dedicated source of revenue sufficient for repayment of the loan and adopting all necessary ordinances authorizing the debt. In addition, ordinances were established enforcing user charge systems put in place to generate the revenue necessary to meet those debt obligations. IEPA expects the loan recipient to fulfill those obligations without the need for restructuring of existing loan agreements.

Restructuring requests are accepted by IEPA and reviewed on a case by case basis to ensure any restructuring of loan agreements is in best interest of IEPA, the SRF loan programs and the State of Illinois.

PROJECT SUMMARY (FOR AUTHORIZING RESOLUTION)

Proceeds of the Bonds will be used to (i) fund loans made by the Illinois Environmental Protection Agency (“IEPA”) to units of local government in the State of Illinois (“State”) to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance.

The Authorizing Resolution will also authorize the execution of the following: (i) Third Supplemental Master Trust Agreement dated as of September 1, 2017 supplementing and amending the Master Trust Agreement (the “Supplement”), between the Authority and the Master Trustee in connection with the issuance of the Bonds, (ii) Bond Purchase Agreement (the “Purchase Contract”), (iii) Tax Exemption Certificate and Agreement, (iv) Preliminary Official Statement and Official Statement, (v) Continuing Disclosure Undertaking, and (vi) the Bonds.

Finally, the Authorizing Resolution authorizes the execution of (vii) the Fourth Amendment to Memorandum of Agreement (Clean Water Initiative) between the Authority and the IEPA (the “Fourth Amendment to MOA”) and (viii) if necessary, the Third Amended and Restated Assignment of Loans (the “Restated Pledge Agreement”).

BACKGROUND INFORMATION ON IEPA’S STATE REVOLVING FUND (“SRF”) PROGRAMS

Federal Statutory
Framework:

For Clean Water (i.e., sewage and wastewater treatment): The federal Clean Water Act provides for the establishment of state revolving fund programs, the funds of which are to be used to provide financial assistance to various entities in connection with the construction of systems for the storage, treatment, recycling, and reclamation of sewage and certain other qualified water pollution control projects.

For Safe Drinking Water (i.e., drinking water supply): The federal Safe Drinking Water Act Amendments of 1996 amended existing Safe Drinking Water Act requirements to provide for the establishment of state revolving fund loan programs, the funds of which are used to provide financial assistance to various community water systems in connection with the construction of qualified drinking water projects.

Each state created a separate state revolving loan fund to receive federal capitalization grants and receipts (from USEPA), and for each, states are required to provide state matching funds equal to at least twenty percent (20%) of each federal (USEPA) capitalization grant or receipt under the Clean Water Act and Drinking Water Act.

IEPA entered into separate Capitalization Grant Agreements with the USEPA to administer the Clean Water State Revolving Fund (“CWSRF”) and Drinking Water State Revolving Fund (“DWSRF”).

The federal Clean Water Act and Drinking Water Act currently authorize the federal government (through USEPA) to continue to provide annual capitalization funding (subject to the minimum required state matching requirement) for both Clean Water State Revolving Funds (“CWSRF”) and Drinking Water State Revolving Funds (“DWSRF”).

Although USEPA annual capitalization grant funding for both state revolving fund programs have a long history (since 1988 for Clean Water projects and 1996 for Drinking Water projects), there can be no assurance that these programs will continue to be funded at current levels.

USEPA has Encouraged
States to Undertake
Bond Issues to Leverage
Existing Grant Funded
Assets:

Since the late 1990’s, the USEPA has encouraged states to further leverage existing CWSRF and DWSRF program assets by using existing cash flows from each state’s respective loan portfolios (and principal and interest payments thereon, to the extent permitted by USEPA) to securitize bond issues, the proceeds of which would be used by the states (e.g., through state-level EPA’s) to originate additional loans to local governments under the SRF Program. IFA Public Board Book (Version 3), Page 67

These leveraged bond issues enable state-level EPAs to increase loan volume dedicated to Clean Water and Drinking Water projects, thereby enabling funding beyond levels funded directly by USEPA through its annual capitalization funding (and required State Matching Funds) for the Clean Water and Drinking Water Programs.

Consistent with this policy objective, the Illinois EPA has successfully completed the following leveraged bond issues:

- Illinois Development Finance Authority (2002), \$159.81 million issue price/\$150.00 million at par;
- Illinois Finance Authority (2004), \$136.62 million issue price/\$130.00 million at par;
- Illinois Finance Authority (2013), \$158.57 million issue price/\$141.70 million at par; and
- Illinois Finance Authority (2016), \$591.69 million issue price/\$500.00 million at par.

Proceeds, including bond issue price premium, of the IDFA Series 2002 Bonds, IFA Series 2004 Bonds, IFA Series 2013 Bonds, and IFA Series 2016 Bonds (collectively, the “Prior Bonds”) enabled IEPA to originate additional loans (by pledging payments from a portion of its existing loan portfolio to secure payments on the Prior Bonds).

IEPA’s Management of the Clean Water & Drinking Water SRF Programs:

Pursuant to authority granted in the federal Clean Water Act, the State (through the IEPA) created the Clean Water Program in 1988 to implement the provisions of Title VI of the Clean Water Act. Similarly, the State created the Drinking Water Program in 1996 to implement the Safe Drinking Water Act Amendments of 1996.

Under both the Clean Water and Drinking Water Programs, IEPA has utilized both federal capitalization receipts and the required twenty percent (20%) state match for the purpose of making low interest loans for Clean Water and Drinking Water projects to units of local government to finance the construction of wastewater treatment and sanitary sewerage facility projects (CWSRF Projects) and drinking water supply projects (DWSRF Projects), respectively.

IEPA annually prepares an Intended Use Plan to USEPA, which is presented in public hearings. These Intended Use Plans identify projects eligible for assistance under the Clean Water Program (i.e., wastewater treatment projects) and the Drinking Water Program (i.e., drinking water projects).

IEPA SRF Programs – Loan Originations to Date:

IEPA has closed and funded 870 Clean Water Program Loans to Clean Water participants totaling approximately \$4.794 billion since inception in 1988 to June 30, 2017, of which approximately \$2.753 billion are outstanding. No payment defaults have occurred with respect to any of the pledged Clean Water State Revolving Fund Loans.

IEPA has closed and funded 572 Drinking Water Program Loans to Drinking Water participants totaling approximately \$1.389 billion since inception in 1996 to June 30, 2017, of which approximately \$911 million are outstanding. No payment defaults have occurred with respect to any of the pledged Drinking Water Program State Revolving Fund Loans.

IEPA is Responsible for Originating, Reviewing Applications, Closing, Servicing, and Reporting on all Loans:

IEPA is responsible for the overall technical and financial management of the SRF Programs, including ongoing financial reporting on the underlying Loan Program Portfolios to the USEPA and other external parties, review and approval of planning documents, plans and specifications, legal authority, credit and bonds (version), and management, and disbursement requests.

MEMORANDUM OF AGREEMENT BETWEEN IEPA AND IFA

Memorandum of Agreement
between IEPA and IFA:

IFA and IEPA entered into the existing Memorandum of Agreement dated as of November 1, 2013 as amended by the First Amendment to Memorandum of Agreement dated as of June 30, 2014, the Second Amendment to Memorandum of Agreement dated as of September 1, 2016, and the Third Amendment to Memorandum of Agreement dated as of April 1, 2017 (collectively, the “Memorandum of Agreement” or “MOA”) to specify IFA and IEPA’s respective roles including, but not limited to, originating and managing the loan program (IEPA), reporting on the performance of the SRF loan portfolio (IEPA) to external parties, issuance of the Bonds (IFA), and specifying collaboration and roles to enable IFA to comply with material event and other required reporting in connection with a Continuing Disclosure Undertaking (“CDU”).

Pursuant to the MOA and Master Trust Agreement, IEPA will continue to administer, structure, and monitor the SRF Programs. IEPA will have primary responsibility for filing financial reports as required by USEPA, and for providing external financial reports on its loan portfolio as required by the underlying bond documents and to help ensure prompt and comprehensive reporting to assure compliance with continuing disclosure requirements on the Bonds and for maintenance of ratings on the Bonds. IEPA’s responsibilities will include (but not be limited to) promptly notifying the Authority to request any changes in pledged loans, promptly notifying the Authority regarding any underlying borrower that exceeds the 20% loan concentration threshold requiring EMMA filings under the Continuing Disclosure Undertaking, advising IFA regarding the origination of loans from Bond Proceeds relating to TIPRA spend-down requirements, and for any other consent or notice specified under the Master Trust Agreement, or any related documents necessary to comply with regulatory requirements in effect.

Effective with execution of the MOA, the Authority assumed certain responsibilities (including, for example, procurement of certain professionals and advisors and continuing disclosure on the Bonds based on reports and filings provided by IEPA) and other information required under the Continuing Disclosure Undertaking.

The Authority, as Issuer, will continue to undertake such actions as necessary to facilitate issuance of Bonds on behalf of IEPA as with issuance of the Prior Bonds.

Amendments to
Memorandum of Agreement
between IEPA and IFA:

The First Amendment clarified which monthly loan reconciliation reports must be delivered by IEPA to IFA, removed the need for IEPA to submit quarterly financial reports to the Illinois Office of the Comptroller, added a deadline of 31 days for IEPA to provide loan payoff certificates to IFA, clarified which monthly trustee reconciliation reports must be delivered by IFA to IEPA, stipulated that IFA would submit quarterly C-17 reports to the Illinois Office of the Comptroller, and amended certain fees.

The Second Amendment added language concerning the reporting of Obligated Participants concerning IFA’s duty to file the CDU, resolved that IEPA would provide IFA a certificate when a loan is written down, forgiven or substituted rather than just paid off, simplified when IFA will prepare reports to the Master Trustee that repayments of pledged loans will satisfy financial requirements contained in the Master Trust Agreement, delineated that IFA would coordinate with IEPA to invest bond proceeds, and amended certain fees.

The Third Amendment determined that IEPA would pay for the arbitrage rebate calculation as invoiced and stipulated that IEPA would pay for the retention of professionals by IFA to provide advice and recommendations with respect to investing bond proceeds and other monies held in Trustee-held accounts.

The accompanying Authorizing Resolution will also authorize execution of a Fourth Amendment to Memorandum of Agreement between the IFA and IEPA (“Fourth Amendment to MOA”). The Fourth Amendment further clarifies that IEPA will implement the administrative rules adopted

July 1, 2017 that allows IEPA to restructure existing loans under certain circumstances provided that IEPA's implementation is compliant with the provisions of the Master Trust Agreement governing the Authority's ability to consent to modifications of existing loans.

ECONOMIC DISCLOSURE STATEMENT

Initial
Beneficiary of Bond
Proceeds – IEPA's SRF
Programs:

Illinois Environmental Protection Agency, 1021 North Grand Avenue East, P.O. Box 19276,
Springfield, IL 62794-9276; Phone: (217) 782-3397

Web site for IEPA's
Bureau Of Water and
Loan Programs:

Illinois EPA:
www.epa.state.il.us

IEPA Bureau of Water – Clean Water Initiative:
www.epa.state.il.us/water/financial-assistance/clean-water-initiative/index.html.com

Project name:

IFA State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017

Underlying Borrowers/
Locations:

IEPA will use the Bond proceeds to originate new loans to finance local government clean water and drinking water systems located statewide.

PROFESSIONAL & FINANCIAL

Borrower:	Illinois Environmental Protection Agency	Springfield, IL	Kevin Bryant Carol Radwine Mike Layden John J. Kim Mark Edmiston Gary Bingenheimer
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Lew Greenbaum Renee Friedman Milt Wakschlag Mike Melzer
Financial Advisors (for SRF Revenue Bond Program):	Acacia Financial Group, Inc.	Montclair, NJ Chicago, IL Mount Laurel, NJ	Noreen White Phoebe Selden Siamic Afshar Matthew Hone
	Sycamore Advisors, LLC	Indianapolis, IN	Diana Hamilton Courtney Tobin Dominick Setari
Book-running Senior Manager:	Bank of America Merrill Lynch Securities	New York, NY Chicago, IL	Thomas Liu Eric Rockhold
Co-Senior Manager:	Citigroup Global Markets, Inc.	Chicago, IL	Samantha Costanzo Robert Mellinger Alex Laios
Co-Managers:	Academy Securities, Inc.	Chicago, IL New York, NY	Frank Paul Jeff Goldstein Rick Kolman
		Chapel Hill, NC	Steve Chaires Mike Murray
	Cabrera Capital Markets LLC	Chicago, IL	Brian King Andrew Cubria Kemp DeMarais Merita Kulpinski Vivian Altman Sean Fisher
	Janney Montgomery Scott LLC		Marty Kate Poole Clarence Bourne Jonathan Yu David Gellert Elizabeth Kiim
	Loop Capital Markets LLC	Chicago, IL	Todd Waldrop Mauricio Nares Maya Golliday
	Mesirow Financial, Inc.	Chicago, IL	
Co-Underwriter's Counsel:	Chapman and Cutler LLP	Chicago, IL	William Corbin Kent Floros
	Pugh, Jones & Johnson, P.C.	Chicago, IL	Glenn Weinstein Brendan Cournane Sabena Auyeung
Trustee/Fiscal Agent:	Amalgamated Bank of Chicago	Chicago, IL	Felipe Mendoza Christine Linde
Rating Agencies:	S&P Global Ratings Fitch Ratings	Chicago, IL Chicago, IL	
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal Victoria Pool

LEGISLATIVE DISTRICTS

Available to local governments for wastewater treatment and drinking water projects statewide.

DISCLAIMER:

All information provided in this report is preliminary based on information available as of 8/3/2017 and subject to change.

All information regarding the proposed IFA Series 2017 State of Illinois Clean Water Initiative Revenue Bonds as contained herein will be superseded by information posted in the Preliminary Official Statement and Final Official Statement, respectively, immediately upon dissemination.

RESOLUTION 2017-0810-LG03

RESOLUTION AUTHORIZING THE ISSUANCE OF AN AMOUNT NOT TO EXCEED \$650,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF STATE OF ILLINOIS CLEAN WATER INITIATIVE REVOLVING FUND REVENUE BONDS, SERIES 2017 OF THE ILLINOIS FINANCE AUTHORITY; AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “*Authority*”), including without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, (the “*Act*”), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance, among other things, the costs of “public purpose projects,” as defined in the Act, “industrial projects,” as defined in the Act, and to finance the costs of “environmental facilities,” as referenced in the Act; and

WHEREAS, the Water Quality Act of 1987, 33 U.S.C., Section 1381 *et seq.*, as supplemented and amended (the “*Federal Clean Water Act*”), and the Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as supplemented and amended (the “*Federal Drinking Water Act*”), authorize the Administrator of the United States Environmental Protection Agency (the “*EPA*”) to make capitalization grants to states for deposit in state revolving funds to provide assistance for constructing publicly owned wastewater treatment facilities and publicly and privately owned drinking water treatment facilities and for certain other eligible purposes; and

WHEREAS, pursuant to Title IV of the Environmental Protection Act, 415 ILCS 5/19.1 *et seq.*, as supplemented and amended, there has been established a “Water Pollution Control Loan Program,” and a “Public Water Supply Loan Program” (collectively, the “*SRF Program*”); and

WHEREAS, pursuant to the Federal Clean Water Act, the Illinois Environmental Protection Agency (“*IEPA*”) has established a clean water state revolving fund in the State as part of its Water Pollution Control Loan Program (the “*Clean Water Program*”) and, pursuant to the Federal Drinking Water Act, has established a safe drinking water state revolving fund in the State as part of its Public Water Supply Loan Program (the “*Drinking Water Program*”); and

WHEREAS, the Departments of Veteran Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, Public Act 105-65, as supplemented and amended, authorizes each state to cross-collateralize the assets of such state revolving funds established under the Federal Clean Water Act and the Federal Drinking Water Act as security for bond issues to enhance the lending capacity of one or both state revolving funds; and

WHEREAS, IEPA has made loans from the revolving funds as part of the Clean Water Program and as part of the Drinking Water Program, which loans are currently outstanding (collectively, the “*Loans*”); and

WHEREAS, the Authority has heretofore issued its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013 (the “*Series 2013 Bonds*”) in the aggregate principal amount of \$141,700,000, of which \$67,315,000 in aggregate principal amount is outstanding and its State

of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016 (the “*Series 2016 Bonds*”) in the aggregate principal amount of \$500,000,000, of which \$489,440,000 in aggregate principal amount is outstanding under the Master Trust Agreement dated as of November 1, 2013, as supplemented by the First Supplemental Master Trust Agreement dated as of November 1, 2013 and the Second Supplemental Master Trust Agreement dated as of September 1, 2016 (collectively, the “*Master Trust Agreement*”), between the Authority and Amalgamated Bank of Chicago, as Master Trustee (the “*Master Trustee*”); and

WHEREAS, a portion of the Loans have heretofore been assigned by the IEPA to the Authority pursuant to a Second Amended and Restated Assignment of Loans dated as of August 4, 2017 (the “*Original Pledge Agreement*”) to provide security for the payment of the Series 2013 Bonds and the Series 2016 Bonds; and

WHEREAS, the Authority desires to provide additional funds to be used for loans for the SRF Program (the “*Project*”); and

WHEREAS, the Authority has determined that it is necessary and desirable to issue its revenue bonds to finance the Project which constitutes a “public purpose project” under the Act in connection with the SRF Program, and to pay costs of issuing such bonds; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to provide for the financing of the Project by the sale and issuance of its revenue bonds, and by authorizing such actions as might be required to implement such stated intention; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to issue and sell its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017, in an aggregate principal amount not to exceed \$650,000,000 (the “*Bonds*”) in order to finance the Project, such Bonds to be secured by the Master Trust Agreement on a parity with the Series 2013 Bonds and the Series 2016 Bonds; and

WHEREAS, to better secure the Series 2017 Bonds, the Series 2013 Bonds and the Series 2016 Bonds, it may be necessary to pledge additional Loans pursuant to a Third Amended and Restated Assignment of Loans (the “*Restated Pledge Agreement*”); and

WHEREAS, it is desirable that the Bonds be sold at public sale; and

WHEREAS, the Bonds, together with the Series 2013 Bonds and the Series 2016 Bonds, shall be payable solely from the Loans pledged under the Original Pledge Agreement (or, if deemed necessary by the Executive Director of the Authority, the Restated Pledge Agreement) and all moneys, securities and earnings in all funds and accounts established under the Master Trust Agreement, except as set forth in the Master Trust Agreement; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Third Supplemental Master Trust Agreement dated as of September 1, 2017 to supplement and amend the Master Trust Agreement (the “*Supplement*”), between the Authority and the Master Trustee in connection with the issuance of the Bonds; and

WHEREAS, certain proposed amendments to the Master Trust Agreement are set forth in the Supplement; and

WHEREAS, if the amendments to the Master Trust Agreement are not effective as of the date of issuance of the Series 2017 Bonds, a separate amendatory supplement (the “*Amendatory Supplement*”

and, together with the “Supplement”, the “Supplements”) to the Master Trust Agreement may be necessary; and

WHEREAS, certain of the amendments to the Master Trust Agreement that are desirable to the Authority and IEPA will require the consent of the holders of a majority in aggregate principal amount of all bonds issued and outstanding under the Master Trust Agreement; and

WHEREAS, the Authority desires to proceed to obtain the necessary consents of the bondholders in order to effectuate such amendments to the Master Trust Agreement; and

WHEREAS, the Authority and the IEPA entered into a Memorandum of Agreement (Clean Water Initiative) dated as of November 1, 2013 (the “*Original MOA*”), as amended by the First Amendment to Memorandum of Agreement (Clean Water Initiative) dated as of June 30, 2014, the Second Amendment to Memorandum of Agreement (Clean Water Initiative) dated as of September 1, 2016 and the Third Amendment to Memorandum of Agreement (clean Water Initiative) dated as of April 1, 2017 (the “*Third Amendment*” and the Original MOA, together with all amendments to date, the “*Memorandum of Agreement*”), describing the duties and obligations of such entities in connection with the Clean Water Program and Drinking Water Program; and

WHEREAS, the Chairperson, the Vice Chairperson or the Executive Director of the Authority may determine that it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Fourth Amendment to Memorandum of Agreement (Clean Water Initiative) between the Authority and the IEPA (the “*Fourth Amendment to MOA*”); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Bond Purchase Agreement (the “*Purchase Contract*”) with respect to the sale of and delivery of the Bonds, by and among the Authority, the IEPA and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “*Representative*”), on behalf of itself and those other underwriters set forth on the cover of the hereinafter defined Preliminary Official Statement (collectively, the “*Underwriters*”); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Tax Exemption Certificate and Agreement dated the date of issuance of the Bonds, by and among the Authority, the IEPA and the Master Trustee (the “*Tax Exemption Agreement*”); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to approve the distribution of a Preliminary Official Statement (the “*Preliminary Official Statement*”) and an official statement (the “*Official Statement*”) in connection with the public sale of the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interest of the Authority to authorize the execution and delivery of a Continuing Disclosure Undertaking dated the date of issuance of the Bonds, by the Authority (the “*Undertaking*”) in order to meet its continuing disclosure obligations to the Underwriters under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934; and

WHEREAS, the following documents are those which the Members of the Authority propose to approve the terms of or enter into:

- (i) the Supplements,
- (ii) a Purchase Contract,

- (iii) the Restated Pledge Agreement
- (iii) a Preliminary Official Statement,
- (iv) a Fourth Amendment to MOA,
- (v) an Undertaking, and
- (vi) the Bonds;

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

Section 1. That the Authority hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct, and does incorporate them into this Resolution by this reference; that the Project constitutes a “public purpose project” under the Act; and that the financing of the Project through the issuance of the Bonds will accomplish valid public purposes as set forth and in accordance with the Act.

Section 2. That the Authority hereby ratifies and approves the Third Amendment and its prior execution and delivery and is hereby authorized to enter into the Supplements, the Restated Pledge Agreement, the Fourth Amendment to MOA and the Undertaking (the “*Authority Documents*”) in substantially the same forms now before the Authority or in the forms thereof executed by the officer(s) of the Authority authorized hereby to execute such documents; that the forms, terms and provisions of the Authority Documents be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Documents (as applicable) in the name, for and on behalf of the Authority, and thereupon to cause the Authority Documents to be executed, acknowledged and delivered in the form as the individual executing each Authority Document on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval and of the approval of any and all changes or revisions therein from the forms of the Authority Documents now before the Members of the Authority; that when the Authority Documents are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Authority Documents shall be binding on the Authority; that from and after the execution and delivery of the Authority Documents, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Documents as executed; and a copy of the Authority Documents shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 3. That the form of the Bonds now before the Authority, be, and the same hereby is approved; that the Bonds may be issued pursuant to the Supplement; that the Bonds may be sold at public sale; that the Bonds may be given such series designations deemed necessary and appropriate by the officers of the Authority executing the Authority Documents; that the Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and attested with the manual or facsimile signature of its Secretary or Assistant Secretary and the seal of the Authority or a facsimile thereof shall be affixed, impressed, imprinted or otherwise reproduced thereon and any officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Master Trustee for authentication; and that when the Bonds

shall be executed on behalf of the Authority in the manner contemplated by the Master Trust Agreement and the Supplement and this Resolution, they shall represent the approved forms of Bonds of the Authority; *provided* that the Bonds shall mature in such amount or amounts payable on such date or dates not later than July 1, 2047, and shall bear interest at such rate or rates not to exceed six percent (6%) per annum, and produce an arbitrage yield of not to exceed six percent (6%) per annum, payable on such date or dates as provided in the Supplement, and subject to redemption as provided in the Master Trust Agreement and Supplement; *provided further*, that the Authority deems it proper to delegate to the Chairperson, the Vice Chairperson or the Executive Director of the Authority, as the case may be, the power to approve any and all changes to the Supplements, the Purchase Contract, the Restated Pledge Agreement, the Fourth Amendment to MOA, the Bonds, the Preliminary Official Statement, the Official Statement as he or she shall, on behalf of the Authority, determine, subject to the preceding proviso.

Section 4. That sale of the Bonds in an aggregate principal amount not to exceed \$650,000,000 to the Underwriters, at a purchase price of not less than 98% of the aggregate principal amount thereof being sold (exclusive of original issue discount and original issue premium) plus accrued interest, if any, to the date of delivery, is hereby approved and confirmed; that the Authority is hereby authorized to enter into the Purchase Contract in substantially the same form as presented to the Members of the Authority; that the form, terms and provisions of the Purchase Contract be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Purchase Contract, such Purchase Contract to provide for the issuance and sale of the Bonds of the Authority in the aggregate principal amount not exceeding that maximum principal amount set forth above, in substantially the same form as presented to the Members of the Authority or with such changes therein as the individual executing such Purchase Contract on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of Purchase Contract before the Members of the Authority; that when a Purchase Contract is executed and delivered on behalf of the Authority as hereinabove provided, such Purchase Contract shall be binding upon the Authority; that from and after the execution and delivery of the Purchase Contract, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract as executed; and a copy of each Purchase Contract shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 5. That the distribution of a Preliminary Official Statement and an Official Statement by the Underwriters with respect to each series of Bonds is hereby approved, such Preliminary Official Statement and Official Statement to be in substantially the same form as the Preliminary Official Statement now before the Authority, or with such changes thereto as shall be approved by the Chairperson, the Vice Chairperson or the Executive Director of the Authority. That the Chairperson, the Vice Chairperson or the Executive Director are, and each of them hereby is, authorized to execute the Official Statement.

Section 6. That the Chairperson, the Vice Chairperson, the Executive Director, the Treasurer, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such other documents, certificates, and undertakings of the Authority, including, without limitation, a Tax Exemption Agreement with respect to the Bonds, and to take such other actions as may be required in connection with the execution, delivery and performance of the Master Trust Agreement, the Supplements, the Undertaking, the Purchase Contract, the Restated Pledge Agreement and the Fourth Amendment to MOA and the distribution of the Preliminary Official Statement and the Official Statement authorized by this Resolution.

Section 7. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 8. That 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 9. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. That this Resolution shall be in full force and effect immediately upon its adoption, as by law provided.