

ILLINOIS FINANCE AUTHORITY

Tuesday, August 13, 2013

AGENDA

COMMITTEE OF THE WHOLE MEETING

9:30 a.m.

IFA Chicago Office

Two Prudential Plaza

180 North Stetson Avenue, Suite 2555

Chicago, Illinois 60601

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

BOARD MEETING

10:30 a.m.

Conference Center

One Prudential Plaza

130 East Randolph Street, Suite 750

Chicago, Illinois 60601

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

Board Meeting Agenda

August 13, 2013

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PROJECT REPORTS AND RESOLUTIONS

LOCAL GOVERNMENT PROJECTS

| Local Government Bonds | | | | | | |
|--|---|-------------------------------------|---------------------|-----------------|--------------------|-----------|
| <i>Final (One-Time Consideration)</i> | | | | | | |
| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | FM |
| 1 | East Richland Community Unit School District Number 1 | Richland, Wayne and Jasper Counties | \$21,500,000 | N/A | N/A | JS/BF |
| TOTAL LOCAL GOVERNMENT PROJECTS | | | \$21,500,000 | N/A | N/A | |

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

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | FM |
|---|----------------------------------|-----------------------|---------------------|-----------------|--------------------|-----------|
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Preliminary</i> | | | | | | |
| 2 | Columbia College Chicago | Chicago (Cook County) | \$17,000,000 | N/A | N/A | RF/BF |
| 3 | Noble Network of Charter Schools | Chicago (Cook County) | \$21,500,000 | 236 | 25 | RF/BF |
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Final (One-Time Consideration)</i> | | | | | | |
| 4 | Illinois College of Optometry | Chicago (Cook County) | \$42,000,000 | N/A | N/A | PL/NO |
| TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS | | | \$80,500,000 | 236 | 25 | |

HEALTHCARE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|----------------------------------|-------------------------|---|----------------------|-----------------|--------------------|--------------|
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Final</i> | | | | | | |
| 5 | Peace Village | Palos Park (Cook County) | \$30,000,000 | N/A | 25 | PL/NO |
| 501(c)(3) Revenue Bonds | | | | | | |
| <i>Preliminary</i> | | | | | | |
| 6 | Presence Health Network | Cook, Champaign, DuPage, Kankakee, Kane, Vermillion and Will Counties | \$215,000,000 | N/A | N/A | PL/NO |
| TOTAL HEALTHCARE PROJECTS | | | \$245,000,000 | - | 25 | |
| GRAND TOTAL | | | \$347,000,000 | 236 | 50 | |

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

| Tab | Action | Staff |
|--------------------|--|--------------|
| Resolutions | | |
| 7 | Resolution Authorizing Actions to Assist with Proposed Affiliation of Northwestern Memorial HealthCare and Northwestern Medical Faculty Foundation | PL/NO |
| 8 | Resolution Approving a Procurement Policy for Legal, Financial and Other Professional and Artistic Services and Related Matters | PL/NO |
| 9 | Resolution Ratifying the Actions of the Executive Director of the Illinois Finance Authority ("IFA") in Applying for New Market Tax Credits for the IFA and Delegating to the Executive Director the Authority to Perform all Further Actions Necessary to Secure the Allocation of the New Market Tax Credits | PL/NO |

August 13, 2013

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

Michael W. Goetz, Vice-Chairman
Terrence M. O'Brien
Heather D. Parish
Mayor Barrett F. Pedersen
Roger Poole
Mordecai Tessler
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

This month, we are pleased to present for your consideration a diverse agenda that includes projects representing local government, education and healthcare sectors with requests totaling \$347 million.

On July 15, 2013, Governor Pat Quinn signed SB 1603 into law as Public Act 98-0090 (effective immediately). As noted in the June 2013 Executive Director Message, SB 1603 is hallmark legislation for the Authority. SB 1603/P.A. 98-0090 was sponsored by Senator Michael Hastings and Representative Kelly Burke who were ably assisted by a bipartisan team of co-sponsors: Senator Pam Althoff and Representatives Naomi Jakobsson, Joe Sosnowski, Tom Demmer, Pat Verschoore, Jim Sacia, Deborah Mell, Bob Pritchard, Ken Dunkin, Ron Sandack, Jim Durkin, Ann Williams and Robyn Gabel.

SB 1603/P.A. 98-0090 provides the Authority with several expanded job creation tools, the ability to issue multi-state conduit bonds on behalf of qualifying for-profit businesses, for example, as well as streamlining the Authority's administrative operations with respect to procurement procedures. Proposed procurement procedures authorized by SB 1603/P.A. 98-0098, which are consistent with State policies regarding transparency and accountability, are presented for consideration in Agenda Item 8.

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

Respectfully,



Christopher B. Meister
Executive Director

Attachments:

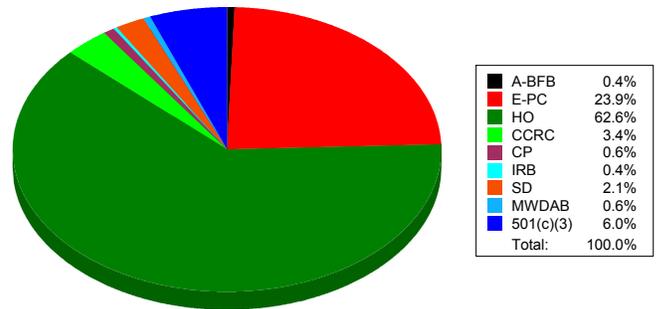
Attachment 1 - Monthly Bonds Activity Report

Bonds Issued - Fiscal Year Comparison for the Period Ending July 31, 2013

Fiscal Year 2012

| # | Market Sector | Principal Issued |
|-----------|-------------------------------|-------------------------|
| 41 | Agriculture - Beginner Farmer | 8,784,789 |
| 3 | Education | 474,685,000 |
| 14 | Healthcare - Hospital | 1,242,038,200 |
| 2 | Healthcare - CCRC | 66,765,000 |
| 1 | Healthcare-Community Provider | 12,700,000 |
| 2 | Industrial Revenue | 7,295,000 |
| 1 | Local Government Schools | 42,010,000 |
| 1 | Midwest Disaster Area Bonds | 11,066,000 |
| 13 | 501(c)(3) Not-for-Profit | 118,256,846 |
| 78 | | \$ 1,983,600,835 |

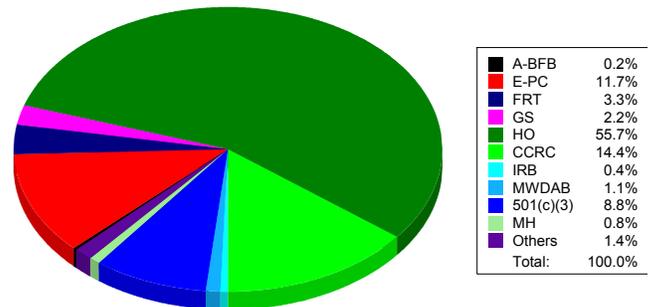
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

| # | Market Sector | Principal Issued |
|-----------|---|-------------------------|
| 14 | Agriculture - Beginner Farmer | 4,461,655 |
| 8 | Education | 264,865,000 |
| 1 | Gas Supply | 50,000,000 |
| 10 | Healthcare - Hospital | 1,262,625,000 |
| 5 | Healthcare - CCRC | 326,840,068 |
| 2 | Industrial Revenue | 8,112,280 |
| 3 | Midwest Disaster Area Bonds | 25,700,000 |
| 11 | 501(c)(3) Not-for-Profit | 198,592,750 |
| 1 | MultiFamily/Senior Housing | 18,630,000 |
| 1 | Freight Transfer Facilities Bonds | 75,000,000 |
| 2 | Local Government | 15,025,000 |
| 1 | Environmental issued under 20 ILCS 3515/9 | 10,935,000 |
| 59 | | \$ 2,260,786,753 |

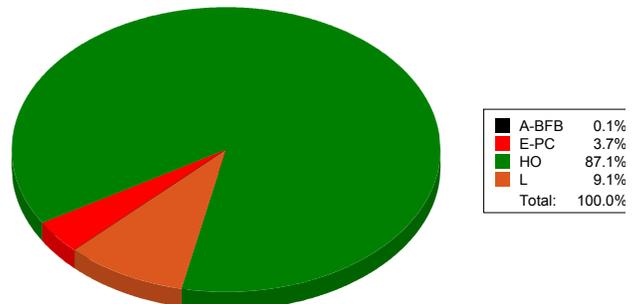
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

| # | Market Sector | Principal Issued |
|----------|-------------------------------|-------------------------|
| 1 | Agriculture - Beginner Farmer | 440,000 |
| 1 | Education | 17,000,000 |
| 1 | Healthcare - Hospital | 398,000,000 |
| 1 | Local Government | 41,530,000 |
| 4 | | \$456,970,000.00 |

Bonds Issued in Fiscal Year 2014



Bonds Issued between July 01, 2013 and July 31, 2013

| <u>Bond Issue</u> | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u> | <u>Bonds Refunded</u> |
|---|--------------------|------------------------------|-------------------------|-----------------------|
| E-PC Concordia University | 07/01/2013 | Variable | 17,000,000 | 17,000,000 |
| L Township High School District Number 113 | 07/01/2013 | Fixed at Schedule | 41,530,000 | 0 |
| HO Rehabilitation Institute of Chicago | 07/01/2013 | Fixed at Schedule | 398,000,000 | 90,000,000 |
| A-BFB Beginner Farmer Bonds | 07/01/2013 | | 440,000 | 0 |
| Total Bonds Issued as of July 31, 2013 | | | \$ 456,970,000 | \$ 107,000,000 |

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, 2013 and July 31, 2013

| <u>Borrower</u> | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>Acres</u> | <u>County</u> |
|---|--------------------|------------------------------|----------------------|---------------|---------------|
| Scrivner, Wade David Hugh | 07/10/2013 | 3.80% | 440,000 | 164.63 | Jefferson |
| Total Beginner Farmer Bonds Issued | | | \$ 440,000 | 164.63 | |



COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
TUESDAY, JULY 9, 2013
9:30 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the “Committee” or “COW”), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of July in the year 2013, 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”), Michael W. Goetz, Vice Chairman of the Committee, called the Committee to order and presided over deliberations.

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

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

Having been absent when the Quorum Roll Call for Attendance was taken, Member Barclay and Chairman Brandt were recorded as present at the time of 9:38 a.m. and 9:55 a.m., respectively.

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

July 9, 2013

0 YEAS

0 NAYS

12 PRESENT

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

E – Denotes Excused Absence

II. Vice Chairman's Remarks

Vice Chairman Goetz informed Members of the Committee, Authority staff and all guests present that Chairman Brandt would be unavailable for today's meetings. Vice Chairman Goetz requested those present at the Committee of the Whole Meeting to introduce themselves for the record.

III. Message from the Executive Director

Executive Director Meister stated he was proud to welcome Carmen Lonstein to the Authority. With Member Lonstein's appointment by Governor Quinn on June 21, 2013, the Authority is at its full statutory strength of fifteen Members. Member Lonstein, a partner at the law firm Baker & McKenzie LLP, was unavailable to attend today's COW Meeting.

Executive Director Meister explained that the Illinois Finance Authority will be adopting its Fiscal Year 2014 Budget at today's Board of Directors Meeting to be held after the Committee of the Whole Meeting. Earlier, Member O'Brien chaired the Compensation Committee Meeting at which time salary adjustments for certain employees were considered. A confidential report of the Compensation Committee's findings is being provided to all Members. Furthermore, Executive Director Meister noted that the Fiscal Year 2014 Budget as presented is very conservative and an opportunity to discuss it in further detail will occur later in the Committee of the Whole Meeting.

On July 1, 2013, Executive Director Meister attended the groundbreaking of the Rehabilitation Institute of Chicago's ("RIC's") new hospital. The event also announced a name change for the hospital: The Ability Institute of RIC. It is estimated that the RIC project will create up to 1,460 construction jobs and create up to 330 new jobs (full time equivalent). RIC's bond financing through the Authority is expected to close this month. The Authority is proud to assist RIC with the financing of its new hospital.

Executive Director Meister informed Members of the Committee that he was pleased this month to once again work with Advocate Health Care Network in its proposed \$305 million bond transaction that will modernize Advocate Trinity Hospital in Chicago, Advocate Good Shepard Hospital in Barrington, and Advocate Lutheran General Hospital in Park Ridge. The Authority values its long working relationship with Advocate. The Authority is also pleased to assist Lake Forest Country Day School in its financing

In other developments, Authority staff has monitored recent volatility in the bond market with great interest. In uncertain times, it is vital that the Authority fulfill its role as a reliable issuer for tax-exempt conduit borrowers across Illinois. The Authority recognizes that as markets change, borrowers need an issuer that is a responsive partner for both new money projects and refinancings more than ever.

IV. Consideration of the Minutes

Vice Chairman Goetz asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on June 11, 2013 or any errors in the Minutes of the regular meeting of the Board held on June 11, 2013.

Member O'Brien moved for the adoption of the Minutes of the regular meeting of the Committee held on June 11, 2013.

Member Leonard seconded the motion.

The motion prevailed and the Minutes were adopted.

V. Presentation and Consideration of the Financial Statements

Revenue

Mr. Bailey explained that Revenues for June 2013 were 6.2% lower than budgeted due to decreases in Other Income. Application and closing fees were in line with budget. General fund revenues were \$248,819 against a monthly budget of \$265,362. For June, there were three closings for bond issuances totaling \$67.2 million – one in the healthcare sector, one nonprofit, and one environmental generating closing fees of \$203,545. Year to Date Total Revenues were \$4,906,116 or 4.9% above the budget of \$4,676,843.

Revenues for June 2013 were not fully comparable with June 2012 due to Other Income of \$570,264 that was received in June 2012. However, Year to Date application and closing fees through June 2013 were \$1.16 million higher than the fees collected through June 2012, a 41% increase.

On the consolidated statements, which incorporate data from 16 additional IFA funds, revenues totaled \$481,656 and exceeded the budget for the month of June by 1.2%. Year to date revenues of \$7,760,245 were higher than budget by \$603,333 or 8.4%.

Expenses

Total Expenses for June 2013 were \$430,988 or 43.6% higher than the budgeted level of \$300,221 for the general fund. This increase is due to the recording of legal fees after a push to get invoices submitted by June 30. It should be noted that while legal fees recorded in June 2013 exceeded budget, they were 22% less than the legal fees recorded in June 2012. Year to Date Total Expenses through June were \$3,774,332 or 3.7% above the budget of \$3,640,845.

Comparing Total Expenses for June 2013 to June 2012, the 2013 levels were \$217,672 higher than 2012 levels. This difference was primarily due to adjustments in the loan loss provisions of \$261,007 recorded in June 2012. Year to Date expenses were 15.5% above June 2012 levels due to adjustments in the loan loss provisions.

On the consolidated statements, expenses for the month were \$598,303, which were 27.5% higher than budgeted due to the recording of legal fees. Year to Date expenses of \$5,761,081 were slightly higher than budget.

Net Income (Loss)

June 2013 ended with a Net Loss of \$182,169 as compared with a budgeted net loss of \$34,859. This difference was primarily due to the recording of additional legal fees. Year to Date Net Income was \$1,518,558 or 47% above the FY13 budget of \$1,035,998. This increase in FY13 annual net income was primarily due to increases in closing fees, other income and transfers recorded in previous months.

On the consolidated statements, the Net Loss for the month was \$116,648 as compared to a budgeted Net Profit of \$6,362 budgeted, a negative variance of \$123,010. Year to date Net Income was \$2,840,563 against a budget of \$1,485,278 primarily due to increases in operating revenues and the recording of revenues from a DCEO grant.

Balance Sheet

The Authority's general fund balance sheet remains strong. At June 30, 2013 Total Assets were \$50.4 million as compared with \$48.6 million in assets one year ago. Cash and investments increased \$3 million from 2012 to 2013 while loan receivables decreased by \$2.2 million.

The consolidated balance sheet as of June 30, 2013 reflects \$160.5 million in Total Assets, a 5.9% decrease over 2012 due to decreases in both cash and loan receivables.

Executive Director Meister recognized the service of Mr. Bailey. While Mr. Bailey's employment status with the Authority was always intended to be temporary, he successfully helped the Authority conclude its Fiscal Year 2012 Audit and his help has proved invaluable.

Vice Chairman Goetz thanked Mr. Bailey for his time with the Authority and for the knowledge he brought to his position.

VI. Committee Reports

Agriculture Committee

Member Zeller reported that the Agriculture Committee reviewed one Agri-Debt Guarantee project. After a lengthy discussion, the Agricultural Committee recommended approval of the project.

Furthermore, the Agriculture Committee recommended approval of the resolution to release acreage on Beginning Farmer Bond Loan #1997-02-0006.

Healthcare Committee

Member Parish reported that the Healthcare Committee reviewed one project for Final Bond Resolution consideration. Accordingly, the Healthcare Committee recommended approval of the Advocate Health and Hospitals Corporation project.

Venture Capital Committee

Member Fuentes, Chairman of the Venture Capital Committee, stated that the Venture Capital Committee Meeting was cancelled.

Compensation Committee

Member O'Brien reported that Executive Director Meister made various recommendations that the Compensation Committee agreed with. A confidential report of salaries for both current employees and potential new hires according to the Compensation Committee's findings is being provided to all Members.

VII. Project Reports and Resolutions

Mr. Senica presented the following project:

Agriculture Projects

Item 1: Item 1 is an Agri-Debt Guarantee Project. The Applicant and Bank are requesting approval of a State Agri-Debt Guarantee. This financing is being presented for one-time consideration.

Edward L. King (and hereinafter, the “**Borrower**”) is requesting approval of a State Specialized Livestock Guarantee in an amount not-to-exceed 85% of a proposed loan of Nine Hundred Seventy Thousand Dollars (\$970,000). Loan proceeds will finance the construction of a cattle finishing barn and refinance existing real estate debt in the amount of Three Hundred and Eight Thousand Dollars (\$308,000). The State of Illinois will guarantee up to **Eight Hundred Twenty-Four Thousand Five Hundred Dollars** (\$824,500) or up to **85%** of the face loan amount. This State Agri-Debt Guarantee represents Illinois Agricultural Loan Guarantee Funds held in the State Treasury at risk.

Executive Director Meister noted that the Agri-Debt Guarantee program is one of the highest level State commitments the Authority can bestow upon Borrowers at its sole discretion. This program is backed by State appropriation and further supported by capital reserves on the Authority’s balance sheet. However, the historical track record of the program has proven the program to be low-risk.

Vice Chairman Goetz, Member Zeller and Member Barclay engaged in a discussion concerning the Borrower’s assets and sufficiency of collateral.

Ms. Lenane presented the following project:

Healthcare Projects

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

Advocate Health and Hospitals Corporation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Three Hundred and Five Million Dollars** (\$305,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by **Advocate Health and Hospitals Corporation** (and hereinafter, the “**Borrower**”) to: (a) finance, refinance or reimburse the Borrower for the costs of acquiring, constructing, furnishing and equipping certain health care and related facilities (the “Projects”) of the Borrower and/or Advocate Health Care Network (“Advocate Network”), Advocate Condell Medical Center (“Advocate Condell”), Advocate Northside Health Network (“Advocate Northside”) and/or Advocate Sherman Hospital (“Advocate Sherman” and, together with the Borrower, Advocate Network, Advocate Condell and Advocate Northside, the “Advocate Corporations”), each an Illinois not for profit corporation, (b) refund all or a portion of the Authority’s Revenue Bonds, Series 2007 (Sherman Health Systems) (the “Series 2007 Bonds”), if deemed necessary or advisable by the Borrower, (c) provide one or more debt service reserve funds for the benefit of all or a portion of the Bonds, if deemed necessary or desirable by the Borrower, (d) pay a portion of the interest to accrue on the Bonds, if deemed

necessary or desirable by the Borrower, (e) pay certain working capital expenditures, if deemed necessary or desirable by the Borrower, and (f) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2007 Bonds, including costs of credit or liquidity enhancement, if deemed necessary or desirable by the Borrower (collectively, the “Financing Purposes”).

Mr. Senica presented the following resolution:

Resolutions

Item 3: Resolution Approving Release of Approximately Two Acres of Farmland in Connection with Existing Beginning Farmer Bond Loan #1997-02-0006

Mr. Frampton presented the following resolution:

Item 4: Resolution Providing for the Issuance of Not-To-Exceed \$23,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Lake Forest Country Day School); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters

Executive Director Meister presented the following resolution:

Item 5: Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan Program for Deferred Action for Childhood Arrivals (“DACA”) Applicants to Medical and Dental Schools in Illinois (the “DACA Loan Program”)

Executive Director Meister announced that Ms. Amalia Rioja, Deputy Chief of Staff of the Office of Governor Pat Quinn, Dr. Mark G. Kuczewski, The Fr. Michael I. English, SJ, Professor of Medical Ethics Director at the Neiswanger Institute for Bioethics & Health Policy at Loyola University Chicago, Mr. Manny Flores, Acting Secretary of the Illinois Department of Financial & Professional Regulation, and Mr. Jay Stewart, Division Director of the Division of Professional Regulation of the Illinois Department of Financial & Professional Regulation, were all present and ready to speak on behalf of the project.

Executive Director Meister explained that this program, which is the first of its kind in the United States, is an initiative of Chairman Brandt through his discussions with U.S. Senator Dick Durbin (D-IL).

Ms. O’Brien stated the Authority (the “Authority”) is proposing a re-lending program that will enable talented children who have DACA (Deferred Action for Early Childhood Development) status to afford a medical/dental school education in Illinois by lending money to the medical and dental schools, which can in turn lend it to eligible students and administer the loans. These DACA students would not be able to attend medical school or dental school, but for this program. In return, they will agree to practice medicine in underserved areas. The terms of these loans will not be more favorable than loans made to U.S. citizens under existing loan programs.

This re-lending program will cover tuition and fees (currently approximately \$50,000 annually). Once admitted into the medical/dental school, the DACA students in the DACA Loan Program (the “Program”) would agree to work in an underserved community in Illinois after they complete medical/dental school. For every year the student receives the loan, they must practice full-time as a physician/dentist in a

community in Illinois designated by the Illinois Department of Public Health (“IDPH”) as being an underserved area.

Dr. Mark G. Kuczewski thanked the Members of the Committee for their consideration of this financing. Last June, Loyola University Chicago’s Stritch School of Medicine decided to open their school to DACA students and waive legal residency as an admissions requirement for applicants. Other medical and dental schools in Illinois are expected to do the same. Although there are many DACA students with excellent credentials, their inability to receive federal loans to pay for medical and dental school limits their access. Therefore, most DACA students need other sources of funding to complete their professional education and serve Illinois residents.

Member O’Brien inquired as to the procedures of the Program.

Executive Director Meister explained that the resolution before the Committee delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all such actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the funding and administration of the DACA Loan Program for medical and dental students in Illinois.

Furthermore, because the Authority is a self-funding agency, the loans to the medical and dental schools will not be interest-free. That is, the Authority will receive revenues for the Program by charging interest on the principal medical and dental schools re-lend to medical and dental students, respectively.

Member O’Brien and Chairman Brandt engaged in a conversation in connection with the length of commitment being provided to these students. Chairman Brandt confirmed that the Authority is committing the Program for the duration of a medical or dental student’s professional education and training.

Chairman Brandt explained that the Public Service Loan Forgiveness Program has the ability to abate principal and interest when students practice medicine in underserved areas; as a result, the Authority cannot abate principal on its loans for DACA applicants because the Authority is not in a position to authorize a better arrangement than what can be provided currently to U.S. citizens. Chairman Brandt explained that discussions are ongoing, however, that some interest may be waived upon the completion of serving three years in an underserved area. The rationale, according to Chairman Brandt, is that the critical need for medical and dental practitioners in underserved areas is so great that the benefit of abating interest may be needed.

Chairman Brandt informed the Committee that because medical and dental practitioners do not receive comparably high wages when serving in an underserved area, the Authority must be willing to accept loan repayment on a graduated scale.

Finally, Chairman Brandt explained that the Authority’s Program for DACA students may prove to be only needed on a short-term basis as immigration reform continues to press forward in the United States Congress.

Ms. Amalia Rioja thanked the Committee for their consideration of this financing.

Mr. Frampton presented the following resolution:

Item 6: Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Grant Anticipation Note in an Amount Not-To-Exceed \$175,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto

Mr. Frampton noted that JADA has been negotiating a Grant Agreement with the Illinois Department of Commerce & Economic Opportunity (“DCEO”). This Resolution would effectively authorize IFA’s Executive Director to advance monies to JADA in advance of a final agreement being reached between JADA and DCEO; furthermore, it outlines proposed conditions in connection with funding the proposed Grant Anticipation Note while also giving IFA’s Executive Director authorization to negotiate other terms and conditions precedent to closing of the Grant Anticipation Note financing.

Mr. Frampton announced that Rick Kwasnewski, Executive Director of JADA, was present and ready to speak on behalf of the Resolution.

Rick Kwasneski, Executive Director of JADA, thanked the Committee for their consideration of this financing. Mr. Kwasneski noted that these funds are needed to cover operating expenses and certain accrued expenses during Fiscal Year 2014 as operations continue to diminish while remaining real property is sold to potential developers, thus allowing for operations to eventually cease.

Item 7: Resolution to Adopt the Fiscal Year 2014 Budget of the Illinois Finance Authority

Executive Director Meister informed the Committee that the Fiscal Year 2014 Budget addresses public mission, risk profile, net revenue impact and competitive position. Unlike recent years, the Authority is experiencing an increase in the proportionate amount of revenue derived solely from closing fees in connection with conduit bond transactions. Moreover, risks associated with legacy participation loans that were part of IFA’s portfolio have been greatly diminished in recent years.

Executive Director Meister explained that the Committee must recognize the limitations of IFA’s State statute, balance sheet and staff. Specifically, IFA is currently operating with approximately half the number of employees it had only a few years ago in 2008.

A summary of IFA’s liquidity as well as forecast revenue and expenditures has been provided to the Committee. The summary provides IFA’s current strengths and weaknesses, while also attempting to address the issue of federal tax reform and potential threats.

Finally, this Fiscal Year 2014 Budget is unlike other recent budgets in that it does not provide for a very high level of income, but rather only \$75,000 throughout the year due to the difficult economy. The Fiscal Year 2014 Budget remains conservative but does provide for salary adjustments of current employees and hiring recommendations that were presented earlier to the Compensation Committee.

Member Barclay inquired as to the heretofore perceived threat of the Public Finance Authority (“PFA”), which is a national issuer of conduit debt. Executive Director Meister informed the Committee that legislation designed to discourage multi-state issuers was signed into law concerning host TEFRA Hearings; in addition, PFA’s activity has been virtually nonexistent since last July. Because of this, and because the Illinois General Assembly has granted IFA broader ability to be a multi-state issuer itself, PFA is no longer perceived as a threat.

Item 8: Resolution to Adopt the Report of the Compensation Committee of the Illinois Finance Authority

See Item 7.

Item 9: Withdrawn

VIII. Other Business

Chairman Brandt exited via audio conference at 10:25 a.m.

Member Zeller inquired as to the potential hiring of an Agricultural Program Coordinator. Executive Director Meister explained to the Committee that the Authority has many needs at the current time and as such is forced to carefully select the positions which are most immediate in need from an operational standpoint. More specifically, the Authority moved very aggressively to market programs to aid rural borrowers affected by last year's drought but for a variety of reasons the products might not have been the most competitive products being offered. Therefore, in a tight budget, it is perhaps best to address the strategic plan of product offerings before filling the Agricultural Program Coordinator position.

Executive Director Meister then engaged the Committee in a conversation concerning House Bill 2748 (Representative Josh Harms; Senator Jason Barickman) which also passed both houses of the General Assembly. This bill memorializes the intent of the late Senator Vince Demuzio and former Representative Gary Hannig, the sponsors of Senate Bill 1075 (P.A. 93-205) which was the bill that created the Authority in the 93rd General Assembly, that at any point in time at least two members of the Authority have expertise in agribusiness or production agriculture.

IX. Public Comment

None.

X. Adjournment

At the time of 10:29 a.m., Member Pedersen moved that the Committee do now adjourn until August 13, 2013, at 9:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, JULY 9, 2013
10:45 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of July in the year 2013, 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”), Michael W. Goetz, Vice Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Vice Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 12 Present.

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

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

July 9, 2013

0 YEAS

0 NAYS

12 PRESENT

P Barclay
P Bronner
P Fuentes
P Goetz
P Gold

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

P Pedersen
P Poole
E Tessler
P Zeller
P Mr. Chairman
(VIA AUDIO CONFERENCE)

E – Denotes Excused Absence

II. Vice Chairman's Remarks

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

Vice Chairman Goetz, Vice Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on July 9, 2013, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on June 11, 2013 and the Financial Statements for the Month Ended June 30, 2013 were taken up for consideration.

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

Member Leonard seconded the motion.

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

The motion prevailed and the Minutes and the Financial Statements were adopted.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Vice Chairman Goetz directed Mr. Frampton to present the projects without expected guests or abstentions to the Board.

Mr. Frampton presented the following projects:

Agriculture Projects

Item 1: Item 1 is an Agri-Debt Guarantee Project. The Applicant and Bank are requesting approval of a State Agri-Debt Guarantee. This financing is being presented for one-time consideration.

Edward L. King (and hereinafter, the "**Borrower**") is requesting approval of a State Specialized Livestock Guarantee in an amount not-to-exceed 85% of a proposed loan of Nine Hundred Seventy Thousand Dollars (\$970,000). Loan proceeds will finance the construction of a cattle finishing barn and refinance existing real estate debt in the amount of Three Hundred and Eight Thousand Dollars (\$308,000). The State of Illinois will guarantee up to **Eight Hundred Twenty-Four Thousand Five Hundred Dollars** (\$824,500) or up to **85%** of the face loan amount. This State Agri-Debt Guarantee represents Illinois Agricultural Loan Guarantee Funds held in the State Treasury at risk.

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

Member Parish seconded the motion.

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

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

Vice Chairman Goetz directed Mr. Frampton to present the remaining resolutions without expected guests or abstentions to the Board.

Mr. Frampton presented the following resolutions:

Resolutions

- Item 3:** Resolution Approving Release of Approximately Two Acres of Farmland in Connection with Existing Beginning Farmer Bond Loan #1997-02-0006
- Item 4:** Resolution Providing for the Issuance of Not-To-Exceed \$23,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Lake Forest Country Day School); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters
- Item 6:** Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Grant Anticipation Note in an Amount Not-To-Exceed \$175,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto

Executive Director Meister announced that Mr. Rick Kwasneski, Executive Director of Joliet Arsenal Development Authority, was present and ready to speak on behalf of the resolution.

Mr. Kwasneski thanked the Members of the Board for their consideration of the financing.

Vice Chairman Goetz recognized and thanked Mr. Kwasneski.

Vice Chairman Goetz directed Mr. Frampton to present the remaining resolutions without expected guests or abstentions to the Board.

Mr. Frampton presented the following resolutions:

- Item 7:** Resolution to Adopt the Fiscal Year 2014 Budget of the Illinois Finance Authority
- Item 8:** Resolution to Adopt the Report of the Compensation Committee of the Illinois Finance Authority
- Item 9:** Withdrawn

Vice Chairman Goetz requested leave of the Board to use the last unanimous vote for the adoption of the following resolutions: Items 3, 4, 6, 7 and 8.

Leave was granted.

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

Vice Chairman Goetz directed Mr. Frampton to present the projects and resolutions with guests to the Board.

Mr. Frampton presented the following projects and resolutions:

Healthcare Projects

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

Advocate Health and Hospitals Corporation is requesting approval of a **Final Bond Resolution** in an amount not-to-exceed **Three Hundred and Five Million Dollars** (\$305,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used by **Advocate Health and Hospitals Corporation** (and hereinafter, the "**Borrower**") to: (a) finance, refinance or reimburse the Borrower for the costs of acquiring, constructing, furnishing and equipping certain health care and related facilities (the "Projects") of the Borrower and/or Advocate Health Care Network ("Advocate Network"), Advocate Condell Medical Center ("Advocate Condell"), Advocate Northside Health Network ("Advocate Northside") and/or Advocate Sherman Hospital ("Advocate Sherman" and, together with the Borrower, Advocate Network, Advocate Condell and Advocate Northside, the "Advocate Corporations"), each an Illinois not for profit corporation, (b) refund all or a portion of the Authority's Revenue Bonds, Series 2007 (Sherman Health Systems) (the "Series 2007 Bonds"), if deemed necessary or advisable by the Borrower, (c) provide one or more debt service reserve funds for the benefit of all or a portion of the Bonds, if deemed necessary or desirable by the Borrower, (d) pay a portion of the interest to accrue on the Bonds, if deemed necessary or desirable by the Borrower, (e) pay certain working capital expenditures, if deemed necessary or desirable by the Borrower, and (f) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2007 Bonds, including costs of credit or liquidity enhancement, if deemed necessary or desirable by the Borrower (collectively, the "Financing Purposes").

Vice Chairman Goetz announced that Mr. Jim Doheny, Vice President Finance and Corporate Controller of Advocate Health and Hospitals Corporation, was present and ready to speak on behalf of the project.

Mr. Doheny thanked the Members of the Board for their consideration of the financing.

Vice Chairman Goetz recognized and thanked Mr. Doheny.

Executive Director Meister recognized and thanked Mr. Doheny.

Vice Chairman Goetz directed Mr. Frampton to present the remaining resolution with expected guests or abstentions to the Board.

Mr. Frampton presented the following resolutions:

Item 5: Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan Program for Deferred Action for Childhood Arrivals ("DACA") Applicants to Medical and Dental Schools in Illinois (the "DACA Loan Program")

Executive Director Meister announced that Ms. Amalia Rioja, Deputy Chief of Staff of the Office of Governor Pat Quinn, was present and ready to speak on behalf of the project.

Ms. Rioja thanked the Members of the Board for their consideration of the financing.

Executive Director Meister announced that Dr. Mark G. Kuczewski, The Fr. Michael I. English, SJ, Professor of Medical Ethics Director at the Neiswanger Institute for Bioethics & Health Policy at Loyola University Chicago, was present and ready to speak on behalf of the project.

Dr. Kuczewski thanked the Members of the Board for their consideration of the financing.

Executive Director Meister announced that Mr. Manny Flores, Acting Secretary of the Illinois Department of Financial & Professional Regulation, was present and ready to speak on behalf of the project.

Mr. Flores thanked the Members of the Board for their consideration of the financing.

Chairman Brandt thanked Governor Pat Quinn for authorizing Members of the Board to develop this program at the beginning stages.

Vice Chairman Goetz requested leave of the Board to use the last unanimous vote for the adoption of the following projects and resolutions: Items 2 and 5.

Leave was granted.

These projects and resolutions, having received the votes of a quorum of the Members of the Board, were be declared passed.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

At the time of 11:02 a.m., Member Pedersen moved that the Board do now adjourn until August 13, 2013, at 10:30 a.m.

Member O'Brien seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board

Illinois Finance Authority
Financial Analysis
As of July 31, 2013

Revenue

Total Revenue for July 2013 is \$325,999; which is negative to budget by \$34,831 or 9.7%. The Authority closed 4 transactions in July 2013: 1 in Healthcare, 2 in Education and 1 in Agriculture with total net revenue contribution for the month of \$295,292. [See Page 1, Financial Statements]. In addition, Township High School District #113 which closed this month with revenues of \$62,295 was recognized in June 2013 when the invoice was issued.

Compared to July 2012, Total Revenue is down by \$155,477 or 32.3% due to lower closing fees.

Expenses

Total Expenses for July 2013 is \$241,997; which is \$96,446 or 28.5% favorable to budget for the month and YTD periods. The primary drivers for July's expense performance were lower employee-related and professional services costs; reflecting delayed staffing, legal and other miscellaneous expenses. [See Page 2, Financial Statements].

Compared to same period last year, Total Expenses is lower by 15.4% or \$44,141 primarily due to lower professional services cost for the month.

Net Income

Net Income for July 2013 and the YTD periods is \$84,003 or \$61,616 better than budget. The favorable net income result for the month is entirely due to lower than budgeted expenses across all expense categories.

Compared to July 2012, Net Income is lower by \$111,336 or 57% tied to lower closing fees in July 2013.

FY13 Audit

The Auditor General's Fiscal Year 2013 external audit process is in progress and on schedule.

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
For the Period Ending July 31, 2013**

| | Actual July 2013 | Budget July 2013 | Current Month Variance Actual vs. Budget | Current % Variance | Actual YTD FY 2014 | Budget YTD FY 2014 | Year to Date Variance Actual vs. Budget | YTD % Variance | Total Budget FY 2014 | % of Budget Expended |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| REVENUE | | | | | | | | | | |
| INTEREST ON LOANS | 13,138 | 13,429 | (291) | -2.2% | 13,138 | 13,429 | (291) | -2.2% | 161,148 | 8.2% |
| INVESTMENT INTEREST & GAIN(LOSS) | 1,440 | 16,667 | (15,227) | -91.4% | 1,440 | 16,667 | (15,227) | -91.4% | 200,000 | 0.7% |
| ADMINISTRATIONS & APPLICATION FEES | 295,292 | 319,305 | (24,013) | -7.5% | 295,292 | 319,305 | (24,013) | -7.5% | 3,638,400 | 8.1% |
| ANNUAL ISSUANCE & LOAN FEES | 16,090 | 6,129 | 9,961 | 162.5% | 16,090 | 6,129 | 9,961 | 162.5% | 73,545 | 21.9% |
| OTHER INCOME | 40 | 5,300 | (5,260) | -99.2% | 40 | 5,300 | (5,260) | -99.2% | 63,601 | 0.1% |
| TOTAL REVENUE | 325,999 | 360,830 | (34,831) | -9.7% | 325,999 | 360,830 | (34,831) | -9.7% | 4,136,694 | 7.9% |
| EXPENSES | | | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | | | |
| COMPENSATION & TAXES | 129,319 | 142,581 | (13,262) | -9.3% | 129,319 | 142,581 | (13,262) | -9.3% | 1,710,974 | 7.6% |
| BENEFITS | 17,692 | 22,711 | (5,019) | -22.1% | 17,692 | 22,711 | (5,019) | -22.1% | 272,537 | 6.5% |
| EDUCATION & DEVELOPMENT | 160 | 500 | (340) | -68.0% | 160 | 500 | (340) | -68.0% | 6,000 | 2.7% |
| TRAVEL & AUTO | 1,470 | 4,583 | (3,113) | -67.9% | 1,470 | 4,583 | (3,113) | -67.9% | 55,000 | 2.7% |
| TOTAL EMPLOYEE RELATED EXPENSES | 148,641 | 170,375 | (21,734) | -12.8% | 148,641 | 170,375 | (21,734) | -12.8% | 2,044,511 | 7.3% |
| PROFESSIONAL SERVICES | | | | | | | | | | |
| PROFESSIONAL SERVICES | | | | | | | | | | |
| CONSULTING, LEGAL & ADMIN | 4,339 | 41,667 | (37,328) | -89.6% | 4,339 | 41,667 | (37,328) | -89.6% | 500,000 | 0.9% |
| LOAN EXPENSE & BANK FEE | 7,419 | 8,334 | (915) | -11.0% | 7,419 | 8,334 | (915) | -11.0% | 100,000 | 7.4% |
| ACCOUNTING & AUDITING | 18,064 | 25,834 | (7,770) | -30.1% | 18,064 | 25,834 | (7,770) | -30.1% | 310,000 | 5.8% |
| MARKETING GENERAL | 948 | 833 | 115 | 13.8% | 948 | 833 | 115 | 13.8% | 10,000 | 9.5% |
| FINANCIAL ADVISORY | 2,081 | 8,333 | (6,252) | -75.0% | 2,081 | 8,333 | (6,252) | -75.0% | 100,000 | 2.1% |
| CONFERENCE/TRAINING | 285 | 2,083 | (1,798) | -86.3% | 285 | 2,083 | (1,798) | -86.3% | 25,000 | 1.1% |
| MISC. PROFESSIONAL SERVICES | - | 6,667 | (6,667) | -100.0% | - | 6,667 | (6,667) | -100.0% | 80,000 | 0.0% |
| DATA PROCESSING | 6,984 | 14,167 | (7,183) | -50.7% | 6,984 | 14,167 | (7,183) | -50.7% | 170,000 | 4.1% |
| TOTAL PROFESSIONAL SERVICES | 40,121 | 107,918 | (67,797) | -62.8% | 40,121 | 107,918 | (67,797) | -62.8% | 1,295,000 | 3.1% |
| OCCUPANCY COSTS | | | | | | | | | | |
| OCCUPANCY COSTS | | | | | | | | | | |
| OFFICE RENT | 21,269 | 21,667 | (398) | -1.8% | 21,269 | 21,667 | (398) | -1.8% | 260,000 | 8.2% |
| EQUIPMENT RENTAL AND PURCHASES | 932 | 1,250 | (318) | -25.4% | 932 | 1,250 | (318) | -25.4% | 15,000 | 6.2% |
| TELECOMMUNICATIONS | 2,750 | 2,917 | (167) | -5.7% | 2,750 | 2,917 | (167) | -5.7% | 35,000 | 7.9% |
| UTILITIES | 819 | 1,000 | (181) | -18.1% | 819 | 1,000 | (181) | -18.1% | 12,000 | 6.8% |
| DEPRECIATION | 3,737 | 3,792 | (55) | -1.4% | 3,737 | 3,792 | (55) | -1.4% | 45,500 | 8.2% |
| INSURANCE | 504 | 2,083 | (1,579) | -75.8% | 504 | 2,083 | (1,579) | -75.8% | 25,000 | 2.0% |
| TOTAL OCCUPANCY COSTS | 30,010 | 32,709 | (2,699) | -8.3% | 30,010 | 32,709 | (2,699) | -8.3% | 392,500 | 7.6% |

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
For the Period Ending July 31, 2013**

| | Actual July 2013 | Budget July 2013 | Current Month Variance Actual vs. Budget | Current % Variance | Actual YTD FY 2014 | Budget YTD FY 2014 | Year to Date Variance Actual vs. Budget | YTD % Variance | Total Budget FY 2014 | % of Budget Expended |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| GENERAL & ADMINISTRATION | | | | | | | | | | |
| OFFICE SUPPLIES | 2,763 | 2,983 | (220) | -7.4% | 2,763 | 2,983 | (220) | -7.4% | 35,800 | 7.7% |
| BOARD MEETING - EXPENSES | 1,027 | 2,500 | (1,473) | -58.9% | 1,027 | 2,500 | (1,473) | -58.9% | 30,000 | 3.4% |
| PRINTING | 414 | 667 | (253) | -38.0% | 414 | 667 | (253) | -38.0% | 8,000 | 5.2% |
| POSTAGE & FREIGHT | 825 | 1,250 | (425) | -34.0% | 825 | 1,250 | (425) | -34.0% | 15,000 | 5.5% |
| MEMBERSHIP, DUES & CONTRIBUTIONS | 228 | 2,500 | (2,272) | -90.9% | 228 | 2,500 | (2,272) | -90.9% | 30,000 | 0.8% |
| PUBLICATIONS | - | 208 | (208) | -100.0% | - | 208 | (208) | -100.0% | 2,500 | 0.0% |
| OFFICERS & DIRECTORS INSURANCE | 17,969 | 17,333 | 636 | 3.7% | 17,969 | 17,333 | 636 | 3.7% | 208,000 | 8.6% |
| TOTAL GENL & ADMIN EXPENSES | 23,225 | 27,441 | (4,216) | -15.4% | 23,225 | 27,441 | (4,216) | -15.4% | 329,300 | 7.1% |
| LOAN LOSS PROVISION/BAD DEBT | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| OTHER | | | | | | | | | | |
| INTEREST EXPENSE | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| TOTAL OTHER | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| TOTAL EXPENSES | 241,997 | 338,443 | (96,446) | -28.5% | 241,997 | 338,443 | (96,446) | -28.5% | 4,061,311 | 6.0% |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS | 84,003 | 22,387 | 61,616 | 275.2% | 84,003 | 22,387 | 61,616 | 275.2% | 75,383 | 111.4% |
| NET UNREALIZED GAIN/(LOSS) ON INVESTMENT | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| TRANSFER | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| REVENUE GRANT | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| APPROPRIATIONS FROM STATE | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| NET INCOME/(LOSS) | 84,003 | 22,387 | 61,616 | 275.2% | 84,003 | 22,387 | 61,616 | 275.2% | 75,383 | 111.4% |

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
For the Period Ending July 31, 2013

| | Actual July 2013 | Actual July 2012 | Current Month Variance Actual vs. Actual | Current % Variance | Actual YTD FY 2014 | Actual YTD FY 2013 | Year to Date Variance Actual vs. Actual | YTD % Variance |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| REVENUE | | | | | | | | |
| INTEREST ON LOANS | 13,138 | 21,687 | (8,549) | -39.4% | 13,138 | 21,687 | (8,549) | -39.4% |
| INVESTMENT INTEREST & GAIN(LOSS) | 1,440 | 3,270 | (1,830) | -56.0% | 1,440 | 3,270 | (1,830) | -56.0% |
| ADMINISTRATIONS & APPLICATION FEES | 295,292 | 423,702 | (128,410) | -30.3% | 295,292 | 423,702 | (128,410) | -30.3% |
| ANNUAL ISSUANCE & LOAN FEES | 16,090 | 27,653 | (11,563) | -41.8% | 16,090 | 27,653 | (11,563) | -41.8% |
| OTHER INCOME | 40 | 5,165 | (5,125) | -99.2% | 40 | 5,165 | (5,125) | -99.2% |
| TOTAL REVENUE | 325,999 | 481,476 | (155,477) | -32.3% | 325,999 | 481,476 | (155,477) | -32.3% |
| EXPENSES | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | |
| COMPENSATION & TAXES | 129,319 | 114,498 | 14,820 | 12.9% | 129,319 | 114,498 | 14,820 | 12.9% |
| BENEFITS | 17,692 | 20,065 | (2,373) | -11.8% | 17,692 | 20,065 | (2,373) | -11.8% |
| EDUCATION & DEVELOPMENT | 160 | - | 160 | 0.0% | 160 | - | 160 | 0.0% |
| TRAVEL & AUTO | 1,470 | 1,680 | (210) | -12.5% | 1,470 | 1,680 | (210) | -12.5% |
| TOTAL EMPLOYEE RELATED EXPENSES | 148,641 | 136,243 | 12,398 | 9.1% | 148,641 | 136,243 | 12,398 | 9.1% |
| PROFESSIONAL SERVICES | | | | | | | | |
| CONSULTING, LEGAL & ADMIN | 4,339 | 37,555 | (33,215) | -88.4% | 4,339 | 37,555 | (33,215) | -88.4% |
| LOAN EXPENSE & BANK FEE | 7,419 | 9,966 | (2,546) | -25.6% | 7,419 | 9,966 | (2,546) | -25.6% |
| ACCOUNTING & AUDITING | 18,064 | 25,627 | (7,563) | -29.5% | 18,064 | 25,627 | (7,563) | -29.5% |
| MARKETING GENERAL | 948 | 1,839 | (891) | -48.5% | 948 | 1,839 | (891) | -48.5% |
| FINANCIAL ADVISORY | 2,081 | 8,333 | (6,252) | -75.0% | 2,081 | 8,333 | (6,252) | -75.0% |
| CONFERENCE/TRAINING | 285 | 1,925 | (1,640) | -85.2% | 285 | 1,925 | (1,640) | -85.2% |
| MISC. PROFESSIONAL SERVICES | - | 6,250 | (6,250) | -100.0% | - | 6,250 | (6,250) | -100.0% |
| DATA PROCESSING | 6,984 | 3,186 | 3,798 | 119.2% | 6,984 | 3,186 | 3,798 | 119.2% |
| TOTAL PROFESSIONAL SERVICES | 40,121 | 94,681 | (54,560) | -57.6% | 40,121 | 94,681 | (54,560) | -57.6% |
| OCCUPANCY COSTS | | | | | | | | |
| OFFICE RENT | 21,269 | 21,240 | 28 | 0.1% | 21,269 | 21,240 | 28 | 0.1% |
| EQUIPMENT RENTAL AND PURCHASES | 932 | 941 | (9) | -0.9% | 932 | 941 | (9) | -0.9% |
| TELECOMMUNICATIONS | 2,750 | 3,050 | (300) | -9.8% | 2,750 | 3,050 | (300) | -9.8% |
| UTILITIES | 819 | 900 | (81) | -9.0% | 819 | 900 | (81) | -9.0% |
| DEPRECIATION | 3,737 | 3,693 | 44 | 1.2% | 3,737 | 3,693 | 44 | 1.2% |
| INSURANCE | 504 | 1,950 | (1,446) | -74.2% | 504 | 1,950 | (1,446) | -74.2% |
| TOTAL OCCUPANCY COSTS | 30,010 | 31,774 | (1,763) | -5.5% | 30,010 | 31,774 | (1,763) | -5.5% |

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
For the Period Ending July 31, 2013**

| | Actual July 2013 | Actual July 2012 | Current Month Variance Actual vs. Actual | Current % Variance | Actual YTD FY 2014 | Actual YTD FY 2013 | Year to Date Variance Actual vs. Actual | YTD % Variance |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| GENERAL & ADMINISTRATION | | | | | | | | |
| OFFICE SUPPLIES | 2,763 | 3,175 | (412) | -13.0% | 2,763 | 3,175 | (412) | -13.0% |
| BOARD MEETING - EXPENSES | 1,027 | 2,200 | (1,174) | -53.3% | 1,027 | 2,200 | (1,174) | -53.3% |
| PRINTING | 414 | 592 | (178) | -30.1% | 414 | 592 | (178) | -30.1% |
| POSTAGE & FREIGHT | 825 | 838 | (13) | -1.5% | 825 | 838 | (13) | -1.5% |
| MEMBERSHIP, DUES & CONTRIBUTIONS | 228 | 1,507 | (1,280) | -84.9% | 228 | 1,507 | (1,280) | -84.9% |
| PUBLICATIONS | - | 19 | (19) | -100.0% | - | 19 | (19) | -100.0% |
| OFFICERS & DIRECTORS INSURANCE | 17,969 | 15,108 | 2,861 | 18.9% | 17,969 | 15,108 | 2,861 | 18.9% |
| TOTAL GENL & ADMIN EXPENSES | 23,225 | 23,440 | (215) | -0.9% | 23,225 | 23,440 | (215) | -0.9% |
| LOAN LOSS PROVISION/BAD DEBT | - | - | - | 0.0% | - | - | - | 0.0% |
| OTHER | | | | | | | | |
| INTEREST EXPENSE | - | - | - | 0.0% | - | - | - | 0.0% |
| TOTAL OTHER | - | - | - | 0.0% | - | - | - | 0.0% |
| TOTAL EXPENSES | 241,997 | 286,137 | (44,141) | -15.4% | 241,997 | 286,137 | (44,141) | -15.4% |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS | 84,003 | 195,339 | (111,336) | -57.0% | 84,003 | 195,339 | (111,336) | -57.0% |
| NET UNREALIZED GAIN/(LOSS) ON INVESTMENT | - | - | - | 0.0% | - | - | - | 0.0% |
| TRANSFER | - | - | - | 0.0% | - | - | - | 0.0% |
| REVENUE GRANT | - | - | - | 0.0% | - | - | - | 0.0% |
| APPROPRIATIONS FROM STATE | - | - | - | 0.0% | - | - | - | 0.0% |
| NET INCOME/(LOSS) | 84,003 | 195,339 | (111,336) | -57.0% | 84,003 | 195,339 | (111,336) | -57.0% |

**Illinois Finance Authority
General Fund
Balance Sheet [unaudited]
For the Month Ended July 31, 2013**

| | July 2013 | July 2012 |
|---|--------------------------|--------------------------|
| ASSETS | | |
| CASH & INVESTMENTS, UNRESTRICTED | \$ 44,878,909 | \$ 40,297,004 |
| RECEIVABLES, NET | 32,316 | 227,762 |
| LOAN RECEIVABLE, NET | 4,215,391 | 6,352,700 |
| OTHER RECEIVABLES | 36,659 | 48,112 |
| PREPAID EXPENSES | <u>56,297</u> | <u>57,912</u> |
| TOTAL CURRENT ASSETS | 49,219,573 | 46,983,489 |
| FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION | 112,884 | 104,640 |
| DEFERRED ISSUANCE COSTS | 203,545 | 243,018 |
| OTHER ASSETS | | |
| CASH RESTRICTED, INVESTMENTS & RESERVES | 875,599 | 875,000 |
| OTHER | <u>-</u> | <u>570,196</u> |
| TOTAL OTHER ASSETS | 875,599 | 1,445,196 |
| TOTAL ASSETS | <u>\$ 50,411,600</u> | <u>\$ 48,776,343</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | \$ 708,811 | \$ 498,887 |
| LONG-TERM LIABILITIES | <u>302,261</u> | <u>358,521</u> |
| TOTAL LIABILITIES | 1,011,073 | 857,408 |
| EQUITY | | |
| CONTRIBUTED CAPITAL | 4,111,479 | 4,111,479 |
| RETAINED EARNINGS | 33,233,749 | 31,640,819 |
| NET INCOME / (LOSS) | 84,003 | 195,339 |
| RESERVED/RESTRICTED FUND BALANCE | 1,732,164 | 1,732,164 |
| UNRESERVED FUND BALANCE | <u>10,239,134</u> | <u>10,239,134</u> |
| TOTAL EQUITY | 49,400,527 | 47,918,935 |
| TOTAL LIABILITIES & EQUITY | <u>\$ 50,411,600</u> | <u>\$ 48,776,343</u> |

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
For the Period Ending July 31, 2013

| | Actual July 2013 | Budget July 2013 | Current Month Variance Actual vs. Budget | Current % Variance | Actual YTD FY 2014 | Budget YTD FY 2014 | Year to Date Variance Actual vs. Budget | YTD % Variance | Total Budget FY 2014 | % of Budget Expended |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| REVENUE | | | | | | | | | | |
| INTEREST ON LOANS | 141,173 | 144,408 | (3,235) | -2.2% | 141,173 | 144,408 | (3,235) | -2.2% | 1,695,369 | 8.3% |
| INVESTMENT INTEREST & GAIN(LOSS) | 47,043 | 62,277 | (15,234) | -24.5% | 47,043 | 62,277 | (15,234) | -24.5% | 747,320 | 6.3% |
| ADMINISTRATIONS & APPLICATION FEES | 295,292 | 319,305 | (24,013) | -7.5% | 295,292 | 319,305 | (24,013) | -7.5% | 3,638,400 | 8.1% |
| ANNUAL ISSUANCE & LOAN FEES | 16,090 | 6,129 | 9,961 | 162.5% | 16,090 | 6,129 | 9,961 | 162.5% | 73,545 | 21.9% |
| OTHER INCOME | 18,435 | 42,050 | (23,615) | -56.2% | 18,435 | 42,050 | (23,615) | -56.2% | 504,595 | 3.7% |
| TOTAL REVENUE | 518,034 | 574,169 | (56,135) | -9.8% | 518,034 | 574,169 | (56,135) | -9.8% | 6,659,229 | 7.8% |
| EXPENSES | | | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | | | |
| COMPENSATION & TAXES | 129,319 | 142,581 | (13,262) | -9.3% | 129,319 | 142,581 | (13,262) | -9.3% | 1,710,974 | 7.6% |
| BENEFITS | 17,692 | 22,711 | (5,019) | -22.1% | 17,692 | 22,711 | (5,019) | -22.1% | 272,537 | 6.5% |
| EDUCATION & DEVELOPMENT | 160 | 500 | (340) | -68.0% | 160 | 500 | (340) | -68.0% | 6,000 | 2.7% |
| TRAVEL & AUTO | 1,470 | 4,583 | (3,113) | -67.9% | 1,470 | 4,583 | (3,113) | -67.9% | 55,000 | 2.7% |
| TOTAL EMPLOYEE RELATED EXPENSES | 148,641 | 170,375 | (21,734) | -12.8% | 148,641 | 170,375 | (21,734) | -12.8% | 2,044,511 | 7.3% |
| PROFESSIONAL SERVICES | | | | | | | | | | |
| CONSULTING, LEGAL & ADMIN | 6,422 | 43,750 | (37,328) | -85.3% | 6,422 | 43,750 | (37,328) | -85.3% | 524,996 | 1.2% |
| LOAN EXPENSE & BANK FEE | 157,419 | 158,334 | (915) | -0.6% | 157,419 | 158,334 | (915) | -0.6% | 1,900,000 | 8.3% |
| ACCOUNTING & AUDITING | 18,064 | 27,324 | (9,260) | -33.9% | 18,064 | 27,324 | (9,260) | -33.9% | 327,880 | 5.5% |
| MARKETING GENERAL | 948 | 833 | 115 | 13.8% | 948 | 833 | 115 | 13.8% | 10,000 | 9.5% |
| FINANCIAL ADVISORY | 2,081 | 8,333 | (6,252) | -75.0% | 2,081 | 8,333 | (6,252) | -75.0% | 100,000 | 2.1% |
| CONFERENCE/TRAINING | 285 | 2,083 | (1,798) | -86.3% | 285 | 2,083 | (1,798) | -86.3% | 25,000 | 1.1% |
| MISC. PROFESSIONAL SERVICES | 3,250 | 9,917 | (6,667) | -67.2% | 3,250 | 9,917 | (6,667) | -67.2% | 119,000 | 2.7% |
| DATA PROCESSING | 6,984 | 14,167 | (7,183) | -50.7% | 6,984 | 14,167 | (7,183) | -50.7% | 170,000 | 4.1% |
| TOTAL PROFESSIONAL SERVICES | 195,453 | 264,741 | (69,288) | -26.2% | 195,453 | 264,741 | (69,288) | -26.2% | 3,176,876 | 6.2% |
| OCCUPANCY COSTS | | | | | | | | | | |
| OFFICE RENT | 21,269 | 21,667 | (398) | -1.8% | 21,269 | 21,667 | (398) | -1.8% | 260,000 | 8.2% |
| EQUIPMENT RENTAL AND PURCHASES | 932 | 1,250 | (318) | -25.4% | 932 | 1,250 | (318) | -25.4% | 15,000 | 6.2% |
| TELECOMMUNICATIONS | 2,750 | 2,917 | (167) | -5.7% | 2,750 | 2,917 | (167) | -5.7% | 35,000 | 7.9% |
| UTILITIES | 819 | 1,000 | (181) | -18.1% | 819 | 1,000 | (181) | -18.1% | 12,000 | 6.8% |
| DEPRECIATION | 3,737 | 3,792 | (55) | -1.5% | 3,737 | 3,792 | (55) | -1.5% | 45,500 | 8.2% |
| INSURANCE | 504 | 2,083 | (1,579) | -75.8% | 504 | 2,083 | (1,579) | -75.8% | 25,000 | 2.0% |
| TOTAL OCCUPANCY COSTS | 30,011 | 32,709 | (2,698) | -8.2% | 30,011 | 32,709 | (2,698) | -8.2% | 392,500 | 7.6% |

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
For the Period Ending July 31, 2013**

| | Actual July 2013 | Budget July 2013 | Current Month Variance Actual vs. Budget | Current % Variance | Actual YTD FY 2014 | Budget YTD FY 2014 | Year to Date Variance Actual vs. Budget | YTD % Variance | Total Budget FY 2014 | % of Budget Expended |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| GENERAL & ADMINISTRATION | | | | | | | | | | |
| OFFICE SUPPLIES | 2,763 | 2,983 | (220) | -7.4% | 2,763 | 2,983 | (220) | -7.4% | 35,800 | 7.7% |
| BOARD MEETING - EXPENSES | 1,027 | 2,500 | (1,473) | -58.9% | 1,027 | 2,500 | (1,473) | -58.9% | 30,000 | 3.4% |
| PRINTING | 414 | 667 | (253) | -37.9% | 414 | 667 | (253) | -37.9% | 8,000 | 5.2% |
| POSTAGE & FREIGHT | 825 | 1,250 | (425) | -34.0% | 825 | 1,250 | (425) | -34.0% | 15,000 | 5.5% |
| MEMBERSHIP, DUES & CONTRIBUTIONS | 227 | 2,500 | (2,273) | -90.9% | 227 | 2,500 | (2,273) | -90.9% | 30,000 | 0.8% |
| PUBLICATIONS | - | 208 | (208) | -100.0% | - | 208 | (208) | -100.0% | 2,500 | 0.0% |
| OFFICERS & DIRECTORS INSURANCE | 17,969 | 17,333 | 636 | 3.7% | 17,969 | 17,333 | 636 | 3.7% | 208,000 | 8.6% |
| TOTAL GENL & ADMIN EXPENSES | 23,225 | 27,441 | (4,216) | -15.4% | 23,225 | 27,441 | (4,216) | -15.4% | 329,300 | 7.1% |
| LOAN LOSS PROVISION/BAD DEBT | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| OTHER | | | | | | | | | | |
| INTEREST EXPENSE | 406 | 406 | 0 | 0.0% | 406 | 406 | - | 0.0% | 4,561 | 8.9% |
| TOTAL OTHER | 406 | 406 | 0 | 0.0% | 406 | 406 | - | 0.0% | 4,561 | 8.9% |
| TOTAL EXPENSES | 397,736 | 495,672 | (97,936) | -19.8% | 397,736 | 495,672 | (97,936) | -19.8% | 5,947,748 | 6.7% |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS | 120,298 | 78,497 | 41,801 | 53.3% | 120,298 | 78,497 | 41,801 | 53.3% | 711,481 | 16.9% |
| NET UNREALIZED GAIN/(LOSS) ON INVESTMENT | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| TRANSFER | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| REVENUE GRANT | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| TRANSFER FROM STATE | - | - | - | 0.0% | - | - | - | 0.0% | - | 0.0% |
| NET INCOME/(LOSS) | 120,298 | 78,497 | 41,801 | 53.3% | 120,298 | 78,497 | 41,801 | 53.3% | 711,481 | 16.9% |

**Illinois Finance Authority
Consolidated Statement of Activities
Actual to Actual Comparison
For the Period Ending July 31, 2013**

| | Actual July 2013 | Actual July 2012 | Current Month Variance Actual vs. Actual | Current % Variance | Actual YTD FY 2014 | Actual YTD FY 2013 | Year to Date Variance Actual vs. Actual | YTD % Variance |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| REVENUE | | | | | | | | |
| INTEREST ON LOANS | 141,173 | 359,189 | (218,016) | -60.7% | 141,173 | 359,189 | (218,016) | -60.7% |
| INVESTMENT INTEREST & GAIN(LOSS) | 47,043 | (10,725) | 57,768 | -538.6% | 47,043 | (10,725) | 57,768 | -538.6% |
| ADMINISTRATIONS & APPLICATION FEES | 295,292 | 423,702 | (128,410) | -30.3% | 295,292 | 423,702 | (128,410) | -30.3% |
| ANNUAL ISSUANCE & LOAN FEES | 16,090 | 27,653 | (11,563) | -41.8% | 16,090 | 27,653 | (11,563) | -41.8% |
| OTHER INCOME | 18,435 | 23,358 | (4,923) | -21.1% | 18,435 | 23,358 | (4,923) | -21.1% |
| TOTAL REVENUE | 518,034 | 823,177 | (305,143) | -37.1% | 518,034 | 823,177 | (305,143) | -37.1% |
| EXPENSES | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | |
| EMPLOYEE RELATED EXPENSES | | | | | | | | |
| COMPENSATION & TAXES | 129,319 | 114,498 | 14,821 | 12.9% | 129,319 | 114,498 | 14,821 | 12.9% |
| BENEFITS | 17,692 | 20,065 | (2,373) | -11.8% | 17,692 | 20,065 | (2,373) | -11.8% |
| TEMPORARY HELP | - | - | - | 0.0% | - | - | - | 0.0% |
| EDUCATION & DEVELOPMENT | 160 | - | 160 | 0.0% | 160 | - | 160 | 0.0% |
| TRAVEL & AUTO | 1,470 | 1,680 | (210) | -12.5% | 1,470 | 1,680 | (210) | -12.5% |
| TOTAL EMPLOYEE RELATED EXPENSES | 148,641 | 136,243 | 12,398 | 9.1% | 148,641 | 136,243 | 12,398 | 9.1% |
| PROFESSIONAL SERVICES | | | | | | | | |
| CONSULTING, LEGAL & ADMIN | 6,422 | 39,638 | (33,216) | -83.8% | 6,422 | 39,638 | (33,216) | -83.8% |
| LOAN EXPENSE & BANK FEE | 157,419 | (434,679) | 592,098 | -136.2% | 157,419 | (434,679) | 592,098 | -136.2% |
| ACCOUNTING & AUDITING | 18,064 | 26,926 | (8,862) | -32.9% | 18,064 | 26,926 | (8,862) | -32.9% |
| MARKETING GENERAL | 948 | 1,839 | (891) | -48.5% | 948 | 1,839 | (891) | -48.5% |
| FINANCIAL ADVISORY | 2,081 | 8,333 | (6,252) | -75.0% | 2,081 | 8,333 | (6,252) | -75.0% |
| CONFERENCE/TRAINING | 285 | 1,925 | (1,640) | -85.2% | 285 | 1,925 | (1,640) | -85.2% |
| MISC. PROFESSIONAL SERVICES | 3,250 | 9,583 | (6,333) | -66.1% | 3,250 | 9,583 | (6,333) | -66.1% |
| DATA PROCESSING | 6,984 | 3,186 | 3,798 | 119.2% | 6,984 | 3,186 | 3,798 | 119.2% |
| TOTAL PROFESSIONAL SERVICES | 195,453 | (343,249) | 538,702 | -156.9% | 195,453 | (343,249) | 538,702 | -156.9% |
| OCCUPANCY COSTS | | | | | | | | |
| OFFICE RENT | 21,269 | 21,240 | 29 | 0.1% | 21,269 | 21,240 | 29 | 0.1% |
| EQUIPMENT RENTAL AND PURCHASES | 932 | 941 | (9) | -1.0% | 932 | 941 | (9) | -1.0% |
| TELECOMMUNICATIONS | 2,750 | 3,050 | (300) | -9.8% | 2,750 | 3,050 | (300) | -9.8% |
| UTILITIES | 819 | 900 | (81) | -9.0% | 819 | 900 | (81) | -9.0% |
| DEPRECIATION | 3,737 | 3,693 | 44 | 1.2% | 3,737 | 3,693 | 44 | 1.2% |
| INSURANCE | 504 | 1,950 | (1,446) | -74.2% | 504 | 1,950 | (1,446) | -74.2% |
| TOTAL OCCUPANCY COSTS | 30,011 | 31,774 | (1,763) | -5.5% | 30,011 | 31,774 | (1,763) | -5.5% |

**Illinois Finance Authority
Consolidated Statement of Activities
Actual to Actual Comparison
For the Period Ending July 31, 2013**

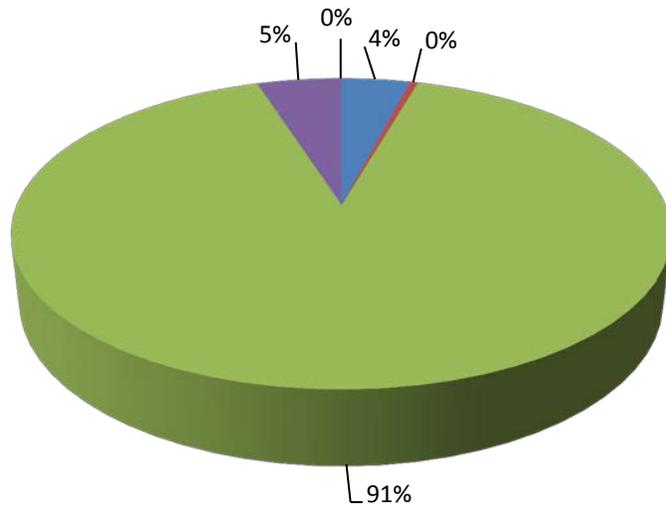
| | Actual July 2013 | Actual July 2012 | Current Month Variance Actual vs. Actual | Current % Variance | Actual YTD FY 2014 | Actual YTD FY 2013 | Year to Date Variance Actual vs. Actual | YTD % Variance |
|--|------------------------|------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| GENERAL & ADMINISTRATION | | | | | | | | |
| OFFICE SUPPLIES | 2,763 | 3,175 | (412) | -13.0% | 2,763 | 3,175 | (412) | -13.0% |
| BOARD MEETING - EXPENSES | 1,027 | 2,200 | (1,173) | -53.3% | 1,027 | 2,200 | (1,173) | -53.3% |
| PRINTING | 414 | 592 | (178) | -30.1% | 414 | 592 | (178) | -30.1% |
| POSTAGE & FREIGHT | 825 | 838 | (13) | -1.6% | 825 | 838 | (13) | -1.6% |
| MEMBERSHIP, DUES & CONTRIBUTIONS | 227 | 1,507 | (1,280) | -84.9% | 227 | 1,507 | (1,280) | -84.9% |
| PUBLICATIONS | - | 19 | (19) | -100.0% | - | 19 | (19) | -100.0% |
| OFFICERS & DIRECTORS INSURANCE | 17,969 | 15,108 | 2,861 | 18.9% | 17,969 | 15,108 | 2,861 | 18.9% |
| MISCELLANEOUS | - | - | - | 0.0% | - | - | - | 0.0% |
| TOTAL GENL & ADMIN EXPENSES | 23,225 | 23,439 | (214) | -0.9% | 23,225 | 23,439 | (214) | -0.9% |
| LOAN LOSS PROVISION/BAD DEBT | - | - | - | 0.0% | - | - | - | 0.0% |
| OTHER | | | | | | | | |
| INTEREST EXPENSE | 406 | 455 | (49) | -10.8% | 406 | 455 | (49) | -10.8% |
| TOTAL OTHER | 406 | 455 | (49) | -10.8% | 406 | 455 | (49) | -10.8% |
| TOTAL EXPENSES | 397,736 | (151,338) | 549,074 | -362.8% | 397,736 | (151,338) | 549,074 | -362.8% |
| NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS | 120,298 | 974,515 | (854,217) | -87.7% | 120,298 | 974,515 | (854,217) | -87.7% |
| NET UNREALIZED GAIN/(LOSS) ON INVESTMENT | - | - | - | 0.0% | - | - | - | 0.0% |
| TRANSFER | - | - | - | 0.0% | - | - | - | 0.0% |
| REVENUE GRANT | - | - | - | 0.0% | - | - | - | 0.0% |
| TRANSFERS FROM STATE | - | - | - | 0.0% | - | - | - | 0.0% |
| NET INCOME/(LOSS) | 120,298 | 974,515 | (854,217) | -87.7% | 120,298 | 974,515 | (854,217) | -87.7% |

Illinois Finance Authority
Consolidated [Unaudited]
Balance Sheet
For the Twelve Months Ending July 31, 2013

| | July 2013 | July 2012 |
|---|-----------------------|-----------------------|
| | <hr/> | <hr/> |
| ASSETS | | |
| CASH & INVESTMENTS, UNRESTRICTED | \$ 44,878,909 | \$ 40,297,004 |
| RECEIVABLES, NET | 32,316 | 227,762 |
| LOAN RECEIVABLE, NET | 55,020,320 | 63,466,546 |
| OTHER RECEIVABLES | 928,263 | 390,920 |
| PREPAID EXPENSES | 56,297 | 57,912 |
| | <hr/> | <hr/> |
| TOTAL CURRENT ASSETS | 100,916,105 | 104,440,144 |
| | | |
| FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION | 112,884 | 104,640 |
| DEFERRED ISSUANCE COSTS | 271,201 | 326,265 |
| | | |
| OTHER ASSETS | | |
| CASH RESTRICTED, INVESTMENTS & RESERVES | 56,331,528 | 54,940,564 |
| OTHER | 3,000,000 | 3,000,000 |
| | <hr/> | <hr/> |
| TOTAL OTHER ASSETS | 59,331,528 | 57,940,564 |
| | | |
| TOTAL ASSETS | <u>\$ 160,631,718</u> | <u>\$ 162,811,613</u> |
| | | |
| LIABILITIES | | |
| CURRENT LIABILITIES | \$ 770,422 | \$ 609,309 |
| LONG TERM LIABILITIES | 39,018,167 | 43,419,230 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 39,788,589 | 44,028,539 |
| | | |
| EQUITY | | |
| CONTRIBUTED CAPITAL | 35,608,692 | 35,608,692 |
| RETAINED EARNINGS | 32,786,351 | 30,491,093 |
| NET INCOME / (LOSS) | 120,298 | 974,515 |
| RESERVED/RESTRICTED FUND BALANCE | 39,679,617 | 39,060,603 |
| UNRESERVED FUND BALANCE | 12,648,171 | 12,648,171 |
| | <hr/> | <hr/> |
| TOTAL EQUITY | 120,843,129 | 118,783,074 |
| | | |
| TOTAL LIABILITIES & EQUITY | <u>\$ 160,631,718</u> | <u>\$ 162,811,613</u> |

**Revenue Distribution Chart
For the One Month
Ending July 31, 2013**

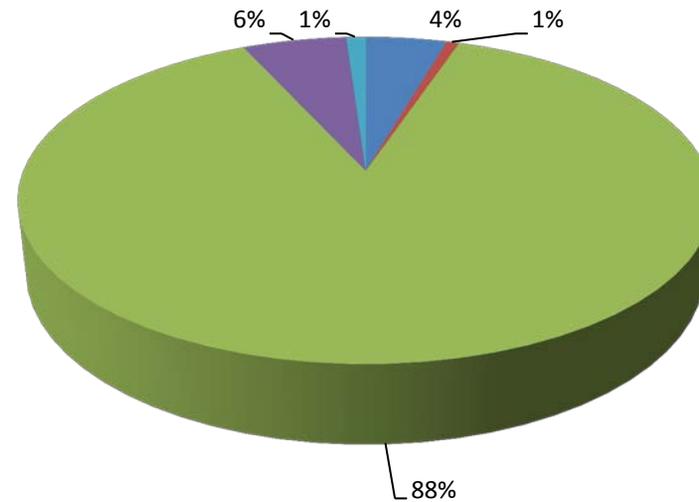
| REVENUE DESCRIPTION | |
|----------------------------|-------------------|
| Fiscal Year 2013 | REVENUE \$ |
| INTEREST INCOME ON LOANS | 13,138 |
| INVESTMENT INTEREST | 1,440 |
| APPLICATION & CLOSING FEES | 295,292 |
| ANNUAL SERVICE FEES | 16,090 |
| OTHER INCOME | 40 |
| TOTAL | 325,999 |



- INTEREST INCOME ON LOANS
- APPLICATION & CLOSING FEES
- OTHER INCOME
- INVESTMENT INTEREST
- ANNUAL SERVICE FEES

**Revenue Distribution Chart
For the One Month
Ending July 31, 2012**

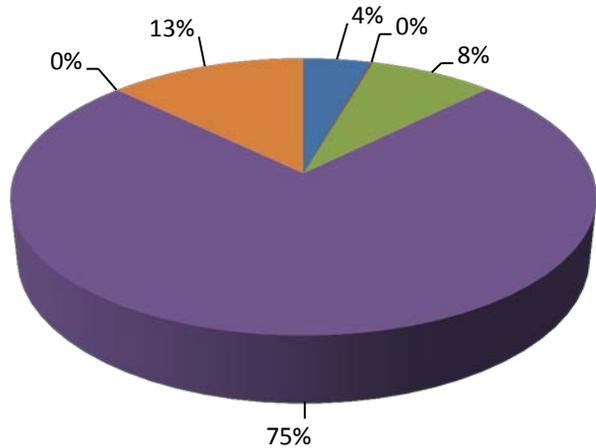
| REVENUE DESCRIPTION | |
|----------------------------|-------------------|
| Fiscal Year 2012 | REVENUE \$ |
| INTEREST INCOME ON LOANS | 21,687 |
| INVESTMENT INTEREST | 3,270 |
| APPLICATION & CLOSING FEES | 423,702 |
| ANNUAL SERVICE FEES | 27,653 |
| OTHER INCOME | 5,165 |
| TOTAL | 481,476 |



- INTEREST INCOME ON LOANS
- APPLICATION & CLOSING FEES
- OTHER INCOME
- INVESTMENT INTEREST
- ANNUAL SERVICE FEES

**Breakdown of Fee Revenues by Sector Chart
For the One Month
Ending July 31, 2013**

| REVENUE BY SECTOR | |
|--------------------------|-------------------|
| <i>Fiscal Year 2014</i> | REVENUE \$ |
| AGRICULTURE | 13,088 |
| BUSINESS & INDUSTRY | 318 |
| EDUCATION | 24,000 |
| HEALTHCARE | 221,000 |
| LOCAL GOVERNMENT | - |
| NOT-FOR-PROFIT | 38,000 |
| TOTAL | 296,406 |

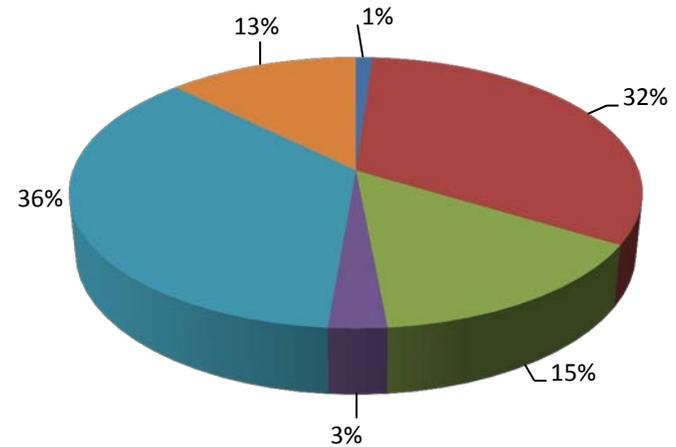


- AGRICULTURE
- EDUCATION
- LOCAL GOVERNMENT
- BUSINESS & INDUSTRY
- HEALTHCARE
- NOT-FOR-PROFIT

Fees Per Revenue Chart 295,292
Difference (Cash v. Accrual) 1,114

**Breakdown of Fee Revenues by Sector Chart
For the One Month
Ending July 31, 2012**

| REVENUE BY SECTOR | |
|--------------------------|-------------------|
| <i>Fiscal Year 2013</i> | REVENUE \$ |
| AGRICULTURE | 4,606 |
| BUSINESS & INDUSTRY | 138,247 |
| EDUCATION | 62,920 |
| HEALTHCARE | 12,000 |
| LOCAL GOVERNMENT | 153,000 |
| NOT-FOR-PROFIT | 53,500 |
| TOTAL | 424,273 |



- AGRICULTURE
- EDUCATION
- LOCAL GOVERNMENT
- BUSINESS & INDUSTRY
- HEALTHCARE
- NOT-FOR-PROFIT

Fees Per Revenue Chart 423,702
Difference (Cash v. Accrual) 571

\$21,500,000 (not-to-exceed amount)
East Richland Community Unit School District Number 1

August 13, 2013

| | | | | | | | | | | | | | | | | | | | |
|--|---|---------------------|-----------------------------|---------------------|--------------------|----------------|---------------|-----|-----------------------------|--|--|-------------------|---------|--|--------------|---------------------|--------------|---------------------|--|
| REQUEST | <p>Purpose: The project will (i) advance refund East Richland Community Unit School District No. 1's (the "District" or the "Borrower") outstanding General Obligation School Bonds, Series 2008, dated November 26, 2008, (the "Series 2008 Bonds" or the "Prior" Bonds); and (ii) prospectively, pay costs of issuance.</p> <p>Program Product Type: Local Government Revenue Bond</p> <p>IFA/State Funds at Risk: None</p> | | | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | Final Bond Resolution (One-time consideration) | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None. This is the first time this Project has been presented to the IFA Board of Directors. | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table> <tr> <td>150</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>150</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table> | 150 | Current jobs | N/A | New jobs projected | 150 | Retained jobs | N/A | Construction jobs projected | | | | | | | | | | |
| 150 | Current jobs | N/A | New jobs projected | | | | | | | | | | | | | | | | |
| 150 | Retained jobs | N/A | Construction jobs projected | | | | | | | | | | | | | | | | |
| BORROWER DESCRIPTION | <ul style="list-style-type: none"> • Type of Entity: Illinois Public School District • Location: Olney, Illinois • When established: 1885 • Borrower's Mission: To provide public education for students in grades Pre-K through 12 • Project Impact: The project will provide savings attributable to refunding that will be used to finance the District's core educational mission. | | | | | | | | | | | | | | | | | | |
| STRUCTURE/TERMS/CREDIT INDICATORS | <ul style="list-style-type: none"> • Underwriter: Edward Jones, St. Louis, MO • General Obligation Bonds payable from property taxes • Maturity: Due Serially November 1, 2014 through 2033 • Interest Rate: 4.168% (<i>Estimated</i>) • Underlying Rating: Borrower is applying for a rating from Standard and Poor's ("S & P's"). The Borrower is currently a non-rated entity. A low-to-medium investment grade rating is expected (e.g., from Triple B+ to Single A+ range). | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table> <tr> <td>Sources:</td> <td>IFA Refinancing Bonds</td> <td>\$21,500,000</td> <td>Uses:</td> <td>Debt Refunding</td> <td>\$21,070,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Costs of Issuance</td> <td>430,000</td> </tr> <tr> <td></td> <td>Total</td> <td>\$21,500,000</td> <td>Total</td> <td>\$21,500,000</td> <td></td> </tr> </table> | Sources: | IFA Refinancing Bonds | \$21,500,000 | Uses: | Debt Refunding | \$21,070,000 | | | | | Costs of Issuance | 430,000 | | Total | \$21,500,000 | Total | \$21,500,000 | |
| Sources: | IFA Refinancing Bonds | \$21,500,000 | Uses: | Debt Refunding | \$21,070,000 | | | | | | | | | | | | | | |
| | | | | Costs of Issuance | 430,000 | | | | | | | | | | | | | | |
| | Total | \$21,500,000 | Total | \$21,500,000 | | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Review Committee recommends approval | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
AUGUST 13, 2013**

Project: East Richland Community Unit School District Number 1

STATISTICS

| | |
|-------------------------------------|---|
| Project Number: L-LG-TE-CE-8637 | Amount: \$21,500,000 (<i>not-to-exceed amount</i>) |
| Type: Local Government Bond Program | IFA Staff: Jim Senica & Brad Fletcher |
| Location: Olney | County/Region: Richland, Wayne & Jasper/Southeastern & Southern |

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

The project will (i) advance refund East Richland Community Unit School District No. 1's outstanding General Obligation School Bonds, Series 2008, dated November 26, 2008, and (ii) prospectively, pay costs of issuance. The District anticipates that savings generated from the tax-exempt issuance will be used to fund the District's core educational activities.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Bond Program assists units of local government, including school districts, in financing capital improvement projects. Interest paid on local government and school district bonds issued through IFA is exempt from both federal and state income taxes thereby reducing the borrower's interest expense.

VOLUME CAP

No Volume Cap is required for Local Government Bond financing.

JOBS

| | |
|-------------------------|-------------------------|
| Current employment: 150 | Projected new jobs: N/A |
| Jobs retained: 150 | Construction jobs: N/A |

ESTIMATED SOURCES AND USES OF FUNDS

| | | | |
|--------------------------------|----------------------------|-------------------------------|----------------------------|
| Sources: IFA Refinancing Bonds | \$21,500,000 | Uses: Construction/Renovation | \$21,070,000 |
| | | Costs of Issuance | <u>430,000</u> |
| Total | <u>\$21,500,000</u> | Total | <u>\$21,500,000</u> |

FINANCING SUMMARY/STRUCTURE

| | |
|-------------------------|---|
| Loan Term: | Bonds will mature serially November 1, 2014 through November 1, 2033 (<i>as contemplated</i>). The Bonds will be underwritten by Edward Jones, St. Louis, MO (the “Underwriter”). |
| Repayment Schedule: | Interest on the Bonds (computed on a basis of a 360-day year of twelve 30-day months) will be payable semiannually on each May 1 and November 1 commencing May 1, 2014. Principal will be due serially each November 1, commencing November 1, 2014 through 2033. |
| Payment Source: | General Obligation Bonds The Bonds will be issued as General Obligation Bonds payable from <i>ad valorem</i> (i.e., property) taxes. |
| Security: | The Bonds repayment of principal and interest will be secured and repaid from the following source: <i>By a Direct Levy of ad valorem taxes upon all taxable property located within the District</i> These ad valorem taxes, which are unlimited as to rate or amount, shall be levied at a level sufficient to pay the interest and principal of the Bonds when due. The Bonds will constitute valid and legally binding obligations of the District, and all taxable property in the District is subject to the levy of taxes for such payment of principal and interest. |
| Bond Rating: | Borrower is applying for a rating from Standard and Poor’s (“S&P”). The Borrower is currently a non-rated entity. A low-to-medium investment grade rating is expected (e.g., from Triple B+ to Single A+ range). |
| Authority: | The Local Government Securities are being issued pursuant to section 1E-65 of the School Code of the State, and the Local Government Debt Reform Act. |
| Estimated Closing Date: | August 29, 2013 |

PROJECT SUMMARY

The project will (i) advance refund East Richland Community Unit School District No. 1’s outstanding General Obligation School Bonds, Series 2008, dated November 26, 2008, and (ii) prospectively, pay costs of issuance. The District issued the Series 2008 general obligation bonds being refunded to provide funds for the acquisition and construction of major capital facilities and for the defeasance of prior bond issues. The underwriter has estimated net present value savings attributable to the refunding of \$1,198,960 which the District anticipates will be used to assist with funding core educational activities.

BUSINESS SUMMARY

East Richland Community Unit School District No. 1 (the “**District**”) was founded in 1885 and is located in the City of Olney, Illinois (the “**City**”) in east Central Illinois, approximately 120 miles east of St. Louis, Missouri. Additionally, the District serves much of the eastern portion of Richland County, Illinois (the “**County**”) including the cities and towns of Claremount, Parkersburg, Berryville, Dundas, Calhoun and Stringtown. The District also serves very small portions of Wayne and Jasper Counties. Approximately 99% of the District’s equalized assessed valuation is located in the County. The District has a total current population of 13,955.

The District operates (i) one high school, East Richland High School, with current enrollment of 623, (ii) East Richland Middle School, with current enrollment of 455 and (iii) East Richland Elementary School, with current enrollment of 988.

The District is governed by a Board of Education (the “**Board**”) whose members are elected for staggered terms of office. The Board is a policy making body whose primary functions are to establish policies of the District, provide for the general operation and personnel of the District and to oversee the property and facilities of the District. The Board elects a President, Vice President, and Secretary from its membership.

The District is headed by the Superintendent of Schools who reports directly to the Board and serves as the chief executive officer of the District. Marilyn Holt has served as Superintendent since July 1, 2002. Prior to that, Ms. Holt served as Division Supervisor for the Illinois State Board of Education. Ms. Holt received a Bachelor of Science degree from Blackburn College, a Masters degree from Eastern Illinois University, and an Education Specialist degree from Eastern Illinois University.

Larry Busard has served as Assistant Superintendent since July 1, 2004. Prior to that, Mr. Busard served as a high school principal, assistant principal and PE teacher within the District. Mr. Busard received a Bachelor of Science Degree from Eastern Illinois University.

The District has approximately 150 employees, 132 of whom are teachers. The employees of the District are not represented by unions and the District considers its relationship with its employees to be healthy.

Remarks:

The District’s major employers include:

| <u>EMPLOYER</u> | <u>PRODUCT/SERVICE</u> | <u>APPROXIMATE NUMBER OF EMPLOYEES IN DISTRICT AREA</u> |
|----------------------------|---------------------------|---|
| Wal-Mart | Food Distribution Center | 746 |
| Richland Memorial Hospital | Healthcare | 505 |
| Schneider Trucking | Trucking Terminal | 300 |
| Pacific Cycle | Sales/Distribution Center | 205 |
| Prairie Farms Dairy | Milk and milk Products | 97 |
| Master/Halco, Inc. | Fence Supplies | 85 |
| Richland Manufacturing | Automotive Parts | 70 |
| Escalade Sports Inc. | Exercise Equipment | 40 |
| Jabat, Inc. | Extruded PVC Pipe | 38 |

The District’s largest taxpayers include:

| | |
|------------------------------|-----------------------------|
| Wal-Mart Distribution Center | Distribution Center |
| Consolidated Grain & Barge | Grain Elevator |
| Walmart Supercenter | Retail Store |
| Tommie Fehrenbacher | Rental Properties |
| Scott Fore | Rental Properties |
| Pacific Cycle | Bicycle Parts & Accessories |
| SIL Healthcare Foundation | Medical Clinic |
| Prairies Farms | Manufacturing Plant |
| Cedarbrook LLC | Strip Mall |
| TKG | Strip Mall |

Median Household Income:

According to the U.S. Census Bureau, 2007 – 2011 American Community Survey, the District had a median household income of \$55,241. This compares with \$69,658 for the State and with \$64,293 for the United States.

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower: East Richland Community Unit School District No. 1

Contact: Marilyn Holt/ Superintendent of Schools
Telephone: (618) 395-2324; E-mail: mholt@east.rchld.k12.il.us

Location: 1100 East Laurel Olney, IL 62450

Entity: Illinois Public School District

Board of Education: Ben Anderson President and Member
Jeff Wilson Vice President and Member
Leon Redman Secretary and Member
Alex Cline Member
Steve Marrs Member
Jan Ridgely Member
Pete Seals Member

Administration: Marilyn Holt Superintendent
Larry Busard Assistant Superintendent

PROFESSIONAL & FINANCIAL

Accountant: Kemper CPA Group Olney, IL

Bond Counsel: Gilmore & Bell, P.C. St. Louis, MO Sean Flynn

Bond Underwriter: Edward Jones St. Louis, MO Chris Collier

Underwriter's Counsel: Gilmore & Bell, P.C. St. Louis, MO Sean Flynn

Paying Agent: UMB Bank, N.A. Kansas City, MO Victor Zarrilli

Rating Agencies: Standard and Poor's Chicago, IL Jennifer Boyd

Issuer's Counsel: Hart, Southworth & Witsman Springfield, IL Sam Witsman

IFA Financial Advisor: Public Financial Management, Inc. Chicago, IL Shannon Williams

LEGISLATIVE DISTRICTS

Congressional: 19
State Senate: 55
State House: 109

CONDUIT

\$17,000,000
Columbia College Chicago

August 13, 2013

| | | | | | | | | | | | | | | | | | |
|---------------------------|--|-------------------|---|--------------|--------------------------------|---------------------|--------------|------------------|--------------|-----------------|---------------|-------------------|---|--------------|----------------------------|--------------|----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by Columbia College Chicago (“Columbia”, the “College”, or the “Borrower”) for the purposes of (and including but not limited to) providing the College with all or a portion of the funds necessary to (i) refund all or a portion of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the “Series 2003 Bonds”), (ii) fund one or more debt service reserve funds for the benefit of the Bonds, if deemed necessary or appropriate, and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, including costs of credit or liquidity enhancement, if any, all as permitted by the Act (collectively, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None</p> | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | Preliminary Bond Resolution | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None – this is the first time this project has been presented to the IFA Board of Directors. | | | | | | | | | | | | | | | | |
| JOB DATA | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; width: 15%;">3,628</td> <td style="text-align: center; width: 15%;">Current</td> <td style="text-align: center; width: 15%;">N/A</td> <td style="text-align: left; width: 55%;">New jobs projected (Refunding)</td> </tr> <tr> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">N/A</td> <td style="text-align: center;">Retained</td> <td style="text-align: center;">N/A</td> <td style="text-align: left;">Construction jobs projected (Refunding)</td> </tr> <tr> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> </table> | 3,628 | Current | N/A | New jobs projected (Refunding) | | jobs | | | N/A | Retained | N/A | Construction jobs projected (Refunding) | | jobs | | |
| 3,628 | Current | N/A | New jobs projected (Refunding) | | | | | | | | | | | | | | |
| | jobs | | | | | | | | | | | | | | | | |
| N/A | Retained | N/A | Construction jobs projected (Refunding) | | | | | | | | | | | | | | |
| | jobs | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> ● Location: Chicago (Cook County/Northeast Region) ● Columbia College Chicago was originally established in 1890 as a college of education and became fully accredited as a four-year, undergraduate, liberal arts school in 1974. ● Columbia College Chicago offers more than 120 academic majors and programs and is the largest and most diverse private, nonprofit arts and media college in the nation with nearly 11,000 undergraduate and 473 graduate students. ● Columbia’s student body represents all 50 states and 41 foreign nations. | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> ● Columbia College Chicago is currently rated BBB+ (S&P; affirmed 9/20/2012). | | | | | | | | | | | | | | | | |
| PROPOSED STRUCTURE | <ul style="list-style-type: none"> ● The Borrower has engaged John S. Vincent and Co. LLC to help the Borrower obtain financing bids that would enable either a Competitive Sale (in which case the Refunding Bonds will be sold based on the College’s direct underlying rating) or via a Bank Direct-Purchase. (The Working Group presently contemplates that the underlying bond documents would be drafted to authorize bonds to be sold under either structure.) ● For parameters purposes, the final maturity date will be up to 15 years (preliminary; subject to change). ● The Refunding Bonds will be underwritten based on the direct, underlying BBB+ rating of Columbia College Chicago. (Borrower will select the Underwriter or Bank in advance of documentation and presenting this financing for approval of the Final Bond Resolution, which is anticipated in September 2013.) | | | | | | | | | | | | | | | | |
| INTEREST RATE | <ul style="list-style-type: none"> ● The estimated interest rates ranges of the IFA Series 2013 Refunding Revenue Bonds for prospective maturities to be refunded (i.e., 1 year to 15 years) ranges from the low-1% range to the high-4% range based on market conditions as of 8/1/2013. (Interest rates on the remaining outstanding maturities range between 3.625% and 5.25%.) | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td style="width: 35%;">IFA Refunding Bonds</td> <td style="text-align: right; width: 15%;">\$15,880,000</td> <td style="width: 35%;">Refunding Escrow</td> <td style="text-align: right; width: 15%;">\$15,565,000</td> </tr> <tr> <td>Borrower Equity</td> <td style="text-align: right;"><u>50,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>365,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$15,930,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$15,930,000</u></td> </tr> </table> | Sources: | | Uses: | | IFA Refunding Bonds | \$15,880,000 | Refunding Escrow | \$15,565,000 | Borrower Equity | <u>50,000</u> | Costs of Issuance | <u>365,000</u> | Total | <u>\$15,930,000</u> | Total | <u>\$15,930,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | |
| IFA Refunding Bonds | \$15,880,000 | Refunding Escrow | \$15,565,000 | | | | | | | | | | | | | | |
| Borrower Equity | <u>50,000</u> | Costs of Issuance | <u>365,000</u> | | | | | | | | | | | | | | |
| Total | <u>\$15,930,000</u> | Total | <u>\$15,930,000</u> | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Review Committee recommends approval. | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 13, 2013**

Project: Columbia College Chicago

STATISTICS

| | | | |
|-----------------|-------------------------|--------------------|----------------------------------|
| Project Number: | E-PC-TE-CD-8636 | Amount: | \$17,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton & Brad R. Fletcher |
| Location: | Chicago | County/ Region: | Cook County/Northeast |

BOARD ACTION

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

VOTING RECORD

None. This will be the first time this matter will be considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be used for the purposes of (and including but not limited to) providing the College with all or a portion of the funds necessary to (i) refund all or a portion of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the “**Series 2003 Bonds**”), (ii) fund one or more debt service reserve funds for the benefit of the Bonds, if deemed necessary or appropriate, and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, including costs of credit or liquidity enhancement, if any, all as permitted by the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

SOURCES AND USES OF FUNDS

| | | | | | |
|----------|---------------------|----------------------------|-------|-------------------|----------------------------|
| Sources: | IFA Refunding Bonds | \$15,880,000 | Uses: | Refunding Escrow | \$15,565,000 |
| | Equity | <u>50,000</u> | | Costs of Issuance | <u>365,000</u> |
| | Total | <u>\$15,930,000</u> | | Total | <u>\$15,930,000</u> |

JOBS

| | | | |
|---------------------|-------|---------------------|-----|
| Current employment: | 3,628 | Projected new jobs: | N/A |
| Jobs retained: | N/A | Construction jobs: | N/A |

FINANCING SUMMARY

| | |
|------------------------------|---|
| Security/ Ratings: | The Bonds will be sold based on the direct, underlying rating of Columbia College Chicago. Columbia is currently rated BBB+ long-term by S&P. (Columbia College's Series 2011 Refunding Bonds were the College's most recent bond issue sold based on the College's underlying rating (BBB+).) S&P affirmed the College's BBB+ rating as of 9/20/2012. |
| Structure: | The plan of finance contemplates the IFA Series 2013 Refunding Revenue Bonds to be either (i) sold via a Competitive Sale on the basis of Columbia College Chicago's long-term rating (ii) or purchased in whole and held as an investment by a Bank through a Bank Direct-Purchase structure. |
| Interest Rate: | As contemplated, the IFA Series 2013 Refunding Revenue Bonds will be sold via a Competitive Sale or via a Bank Direct-Purchase structure at a fixed rate. The estimated interest rates ranges for prospective maturities to be refunded ranges (i.e., 1 year to 15 years) ranges from the low-1% range to the high-4% range based on market conditions as of 8/1/2013. (Interest rates on the remaining outstanding maturities range between 3.625% and 5.25%) |
| Underlying Ratings: | Columbia is currently rated BBB+ long-term by S&P. (Columbia College's Series 2011 Refunding Bonds were the College's most recent bond issue sold based on the College's underlying rating (BBB+).) S&P affirmed the College's BBB+ rating on the IFA Series 2011 Bonds as of 9/20/2012. |
| Maturity: | Columbia College Chicago currently anticipates the maturity date on the IFA Series 2013 Refunding Revenue Bonds will remain at 12/1/2028 (thereby conforming to the final maturity date of the IEFA Series 2003 Bonds that are being refunded). |
| Anticipated Closing Date: | September/October 2013 |
| Rationale: | The proposed Refunding Bonds will enable Columbia College Chicago to advance refund its existing bonds and realize net present value savings. |

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used for the purposes of (and including but not limited to) providing the College with all or a portion of the funds necessary to (i) refund all or a portion of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the "**Series 2003 Bonds**"), (ii) fund one or more debt service reserve funds for the benefit of the Bonds, if deemed necessary or appropriate, and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, including costs of credit or liquidity enhancement, if any, all as permitted by the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

| | |
|--------------|---|
| Background: | Columbia College Chicago (also, " Columbia " or the " Borrower ") is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code. |
| Description: | Columbia College Chicago is private, not for profit, independent, fully accredited, unaffiliated undergraduate and graduate college located in downtown Chicago. Columbia was originally established in 1890 as a college of education and became fully accredited as a four-year, undergraduate, liberal arts school in 1974. Columbia offers educational opportunities in the performing, visual, communications, and writing arts at both the graduate and undergraduate levels, and is home to the one of the largest film schools in the world. Its primary location in the South Loop area of Chicago provides easy access to the Art Institute of Chicago, Adler Planetarium and Astronomy Museum, Field Museum, Chicago Symphony Orchestra and other notable cultural and educational institutions. |

Founded in 1890 as the Columbia School of Oratory, Columbia has grown to become the fifth largest private higher education institution in Illinois. Columbia College's enrollment of approximately 10,783 undergraduates and 473 graduate students is drawn primarily from the city of Chicago and its suburbs, but also attracts students from across the United States and from 41 foreign nations. Approximately one-third of our student body is African American, Latino, Asian, Native American, Pacific Islander, or multi-racial, making Columbia's student body among the most diverse of any private arts college. The student body is evenly divided between men and women.

Columbia College offers more than 120 academic majors and programs and is the largest private arts and media college in the nation. Columbia's operations are located at 27 properties comprising more than 1.3 million SF that the Borrower owns and leases in Chicago's South Loop. Columbia College has been located in the South Loop since 1975. Columbia College Chicago is currently the largest landowner in the South Loop.

Due to Chicago's role as a key media center, Columbia College has developed a strong internship and part-time job placement program for its students and has developed relationships with nine independent film festivals, 200 theatre groups and venues, 35 radio stations, and 25 magazines and newspapers. These employment opportunities have been critical in attracting students to Columbia. The faculty consists of more than 1,300 practicing artists, scholars, and professionals.

According to management, Columbia College's annual tuition of \$22,390 for academic 2012-2013 is less than the national average for private colleges in the U.S.

As a result of Columbia's strategic initiatives over the last 15 years, enrollment has increased from approximately 7,300 in 1993 to over 11,250 for the Fall 2012 term. Columbia believes this growth has resulted from its focus on (i) small class size (to facilitate close interaction with a faculty of working professionals), (ii) abundant internship opportunities with major employers in the Chicago area, and (iii) outstanding physical facilities.

Columbia College has been accredited at the undergraduate and graduate levels by the North Central Association of Colleges and Schools since 1974. Columbia College Chicago is also accredited as a teacher training institution by the Illinois State Board of Education.

Columbia College currently has five IFA/IEFA bond issues outstanding. The total balance outstanding as of 8/31/2012 (and reported to EMMA in the College's most recent filing on the MSRB's website as of 2/21/2013) was approximately \$97,270,000 and included four series of Fixed Rate Bonds and one series of Variable Rate Bonds (IEFA Series 2000 - \$17,100,000 outstanding) secured by a Direct Pay Letter of Credit (BMO Harris Bank).

All bond payments on Columbia College's existing IFA or IEFA debt obligations were current as of 8/1/2013.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Columbia College Chicago
Contact: Kenneth C. Gotsch, Vice President and CFO, Columbia College Chicago, 600 S. Michigan Ave., Chicago, IL 60605-1996; Ph. (312) 369-7215; E-mail: kgotsch@colum.edu
Web Site: www.colum.edu
Project Name: Columbia College Chicago, Series 2013 Refunding Revenue Bonds
Location: Refundings relating to projects at Columbia's Chicago campus originally financed with IEFA Series 2003 Bonds
Organization: Illinois 501(c)(3) organization
Board of Trustees: *For list of Board of Trustees, see page 6*

Current Land

Owners: Columbia College Chicago owns the subject project sites involved in this refinancing.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel: To be determined

Borrower's Financial

Advisor: John S. Vincent and Co. LLC Chicago, IL John Vincent
James McNulty

Auditor: KPMG, LLP Chicago, IL

Bond Counsel: Chapman and Cutler, LLP Chicago, IL Chris Walrath

Underwriter or Direct

Bank Purchaser To be determined based on the structure selected

Placement

Counsel

(Competitive Sale – if selected): Chapman and Cutler, LLP Chicago, IL

Bank Counsel

(applicable only under a Direct Bank Purchase Structure):

To be determined

Trustee (Series

2003 Bonds): US Bank, N.A. Chicago, IL

Rating Agencies: Standard & Poor's Chicago, IL

IFA Counsel: Schiff Hardin LLP Chicago, IL

Bruce Weisenthal

IFA Financial

Advisor: Acacia Financial Group, Inc. Chicago, IL Jim Beck

LEGISLATIVE DISTRICTS

Congressional: 7

State Senate: 3

State House: 5

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Members of the Board of Trustees:**

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The Second City

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Madeline Murphy Rabb

Murphy Rabb, Inc.

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Doctors Solomon, SC

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Scott LLP

Ellen Stone Belic

Jerome H. Stone Family Foundation

Arthur Sussman

MacArthur Foundation

Allen M. Turner

The Pritzker Organization

Sona Wang

Ceres Venture Fund, L.P.

Allison Grant Williams

Northern Trust Corporation

Hugh C. Williams

Continental Painting and Decorating,
Inc.

Robert A. Wislow

U.S. Equities Realty, Inc.

William E. Wolf

August 13, 2013

\$21,500,000 (not-to-exceed)
Noble Network of Charter Schools

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---------------------------|---|--------------|--------------------------------|-----------------------|---------------|---------------|---|----------------------|--|------------------------|-----------|----------------------|------------------|---------------------------|-----------|--|--|------------------|----------------|--------------|---------------------|--------------|---------------------|
| REQUEST | <p>Purpose: Bond proceeds will provide the Noble Network of Charter Schools (“Noble” or the “Borrower”) with all or a portion of the funds for the purpose of financing, reimbursing the Borrower for payment of, or refinancing loans made to the Borrower to finance, costs of acquisition, construction, renovation and equipping certain of the Borrower’s charter school facilities located in Chicago, Illinois, including, without limitation, one or more of its Noble, Rauner, Pritzker, Rowe-Clark, Golder, Auburn-Gresham (Hansberry), and ITW charter schools (collectively, the “Facilities”), (ii) financing certain working capital expenditures in connection with the foregoing, (iii) paying capitalized interest on the Bonds, (iv) funding certain reserves, and (v) paying bond issuance costs, all as permitted by the Illinois Finance Authority Act (collectively, the “Project”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTION | Preliminary Bond Resolution | | | | | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None – this is the first time this matter has been presented to the IFA Board of Directors. | | | | | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0" style="width: 100%;"> <tr> <td style="width: 33%; text-align: center;">655</td> <td style="width: 33%; text-align: center;">Current jobs</td> <td style="width: 33%; text-align: center;">236</td> <td style="width: 33%; text-align: center;">New jobs projected (1-2 years)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">25</td> <td style="text-align: center;">Construction jobs projected (24 months)</td> </tr> </table> | 655 | Current jobs | 236 | New jobs projected (1-2 years) | N/A | Retained jobs | 25 | Construction jobs projected (24 months) | | | | | | | | | | | | | | | | |
| 655 | Current jobs | 236 | New jobs projected (1-2 years) | | | | | | | | | | | | | | | | | | | | | | |
| N/A | Retained jobs | 25 | Construction jobs projected (24 months) | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> ● Location: Chicago / Cook County / Northeast ● Type of entity: Noble Network of Charter Schools is an Illinois not-for-profit corporation. ● Noble Network of Charter Schools is a public charter high school (and middle school) system in Chicago with multiple campuses throughout the city. ● With a student population that is 98% minority and 89% low-income, Noble is committed to serving the students with the greatest need, and to opening campuses in neighborhoods where there are no quality high school options. | | | | | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> ● The plan of finance contemplates an aggregate principal amount of up to \$21.5 million in tax-exempt bonds issued on behalf of Noble Network of Charter Schools and privately placed by B.C. Ziegler & Company (the “Placement Agent”). ● The Borrower has applied for a rating from Standard & Poor’s (“S&P”), and a low investment grade rating is anticipated. The Series 2013 Bonds will be sold to investors consistent with IFA Bond Program Handbook provisions based on the underlying rating. ● IFF’s Charter School Credit Enhancement Program (“CSCEP”) will provide credit enhancement in the form of a cash funded debt reserve of up to \$1.5 million of the financed amount to be accessed by the Trustee (for the benefit of bondholders) in the event of a default to make debt payments. | | | | | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> ● Bondholders will be secured by (i) a pledge of Network revenues on parity with its outstanding IFA Series 2006 and IFA Series 2007 Bonds, (ii) a leasehold mortgage on pro rata share of collateral pool pledged to existing bonds with Auburn Gresham leasehold improvements added, (iii) the Debt Service Reserve Fund capitalized under IFF’s Credit Enhancement program, and (iv) other bond financed reserves. | | | | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> ● 2043 (30 years) | | | | | | | | | | | | | | | | | | | | | | | | |
| INTEREST RATE | <ul style="list-style-type: none"> ● The fixed-rate Bonds will bear an interest rate that is negotiated and established prior to closing and is currently estimated at between 5.00% and 6.50%. | | | | | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES (SUBJECT TO CHANGE) | <table border="0" style="width: 100%;"> <tr> <td colspan="2" style="width: 50%;">Sources:</td> <td colspan="2" style="width: 50%;">Uses:</td> </tr> <tr> <td style="width: 33%;">IFA Series 2013 Bonds</td> <td style="width: 17%; text-align: right;">\$21,500,000</td> <td style="width: 33%;">Project Costs</td> <td style="width: 17%; text-align: right;">\$18,000,000</td> </tr> <tr> <td>IFF Cash Funded Debt</td> <td></td> <td>Refinance Taxable Loan</td> <td style="text-align: right;">3,100,000</td> </tr> <tr> <td>Service Reserve Fund</td> <td style="text-align: right;"><u>1,500,000</u></td> <td>Debt Service Reserve Fund</td> <td style="text-align: right;">1,500,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td style="text-align: right;"><u>400,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$23,000,000</td> <td>Total</td> <td style="text-align: right;">\$23,000,000</td> </tr> </table> | Sources: | | Uses: | | IFA Series 2013 Bonds | \$21,500,000 | Project Costs | \$18,000,000 | IFF Cash Funded Debt | | Refinance Taxable Loan | 3,100,000 | Service Reserve Fund | <u>1,500,000</u> | Debt Service Reserve Fund | 1,500,000 | | | Cost of Issuance | <u>400,000</u> | Total | \$23,000,000 | Total | \$23,000,000 |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | | | | | |
| IFA Series 2013 Bonds | \$21,500,000 | Project Costs | \$18,000,000 | | | | | | | | | | | | | | | | | | | | | | |
| IFF Cash Funded Debt | | Refinance Taxable Loan | 3,100,000 | | | | | | | | | | | | | | | | | | | | | | |
| Service Reserve Fund | <u>1,500,000</u> | Debt Service Reserve Fund | 1,500,000 | | | | | | | | | | | | | | | | | | | | | | |
| | | Cost of Issuance | <u>400,000</u> | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$23,000,000 | Total | \$23,000,000 | | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 August 13, 2013**

Project: Noble Network of Charter Schools

STATISTICS

| | | | |
|-----------------|-------------------------|------------|------------------------------------|
| Project Number: | N-NP-TE-CD-8635 | Amount: | \$21,500,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| Location: | Chicago | County/ | |
| | | Region: | Cook County/Northeast |

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will provide the Borrower with all or a portion of the funds for the purpose of financing, reimbursing the Borrower for payment of, or refinancing loans made to the Borrower to finance, costs of acquisition, construction, renovation and equipping certain of the Borrower's charter school facilities located in Chicago, Illinois, including, without limitation, one or more of its Noble, Rauner, Pritzker, Rowe-Clark, Golder, Auburn-Gresham (Hansberry), and ITW charter schools (collectively, the "Facilities"), (ii) financing working capital expenditures in connection with the foregoing, (iii) paying capitalized interest on the Bonds, (iv) funding certain reserves, and (v) paying bond issuance costs, all as permitted by the Act (collectively, the "Project").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

| Sources: | | Uses: | |
|---------------------------------|---------------------|---------------------------|---------------------|
| IFA Series 2013 Bonds | \$21,500,000 | Project Costs | \$18,000,000 |
| Illinois Facilities Fund – Debt | | Refinance Taxable Loan | 3,100,000 |
| Service Reserve Fund | <u>1,500,000</u> | Debt Service Reserve Fund | 1,500,000 |
| | | Costs of Issuance | <u>400,000</u> |
| Total | \$23,000,000 | Total | \$23,000,000 |

JOBS

| | | | |
|---------------------|-----|---------------------|-----------------|
| Current employment: | 655 | Projected new jobs: | 236 (1-2 years) |
| Jobs retained: | N/A | Construction jobs: | 25 (24 months) |

FINANCING SUMMARY

Structure: The plan of finance contemplates an aggregate principal amount of \$21.5 million in tax-exempt bonds offered in minimum denominations of \$100,000 and privately placed in a manner consistent with IFA Bond Program Handbook requirements. (In the event that the Bonds satisfy IFA’s minimum “BBB-” rating benchmark under the Bond Program Handbook, no investor letters would be required). Fixed rate, tax-exempt bonds are being considered to fund various campus improvements, reimburse \$3.1 million of taxable financing at Noble’s Muchin School (as contemplated in the accompanying Preliminary Bond Resolution), and to reimburse the Network for up to \$14.0 million of out-of-pocket expenses incurred in developing its Auburn Gresham campus (which opened in 2012).

Again, the IFA Series 2013 Bonds will be placed in a manner consistent with IFA’s Bond Program Handbook requirements based on the ultimate S&P rating.

Security/ Rating: Investors will be secured by (i) a pledge of Noble Network of Charter School revenues on parity with its outstanding IFA Series 2006 and IFA Series 2007 Bonds, (ii) a leasehold mortgage on pro rata share of collateral pool pledged to existing bonds with Auburn Gresham leasehold improvements added, and (iii) a Debt Service Reserve Fund provided by IFF’s Credit Enhancement program.

Noble has applied for a rating from Standard & Poor’s (“S&P”). The financing team is expecting to receive a low investment grade rating (e.g., “BBB-” or “BBB”).

Interest Rate: The Bonds will bear a fixed interest rate that will reflect prevailing market conditions at closing (currently estimated at between 5.00% and 6.50% as of 7/31/2013).

Maturity: 2043 (approximately 30 years)

Estimated Closing Date: October 2013

Rationale: Based on market conditions and current rates, Noble and its advisors estimate that a tax-exempt financing on which the rate is fixed for the 30-year life of the bonds can be completed at a rate that is approximately 2.5% lower than a taxable loan or taxable bonds for the same fixed term, thereby reducing borrowing costs substantially. Savings attributable to a tax-exempt bond issue would also free up Network cash to be used for other projects that will enhance Noble’s campuses and potentially create more cash reserves for Noble. In particular, the refinancing of a taxable loan (used to finance improvements at its Muchin College Prep Campus located at 1 N. State Street) would reduce interest expense and, more importantly, free up \$3.1 million in cash that is currently collateralizing the loan.

The proposed tax-exempt Bonds will reduce monthly payments that will help Noble Network of Charter Schools keep its fixed charges (including debt service payments) as low as possible.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Purpose: Bond proceeds will provide the Borrower with all or a portion of the funds for the purpose of financing, reimbursing the Borrower for payment of, or refinancing loans made to the Borrower to finance, costs of acquisition, construction, renovation and equipping certain of the Borrower’s charter school facilities located in Chicago, Illinois, including, without limitation, one or more of its Noble, Rauner, Pritzker, Rowe-Clark, Golder, Auburn-Gresham (Hansberry), and ITW charter schools (collectively, the “Facilities”), (ii) financing working capital expenditures in connection with the foregoing, (iii) paying capitalized interest on the Bonds, (iv) funding certain reserves, and (v) paying bond issuance costs, all as permitted by the Act (collectively, the “Project”).

The estimated Project Costs are comprised of the following items (subject to change):

| | |
|---------------------------|---------------------|
| Construction | \$9,000,000 |
| Rehabilitation | 7,750,000 |
| Machinery/Equip. | 250,000 |
| Architectural/Engineering | <u>1,000,000</u> |
| Total | \$18,000,000 |

BUSINESS SUMMARY

Description: **Noble Network of Charter Schools**, an Illinois not-for-profit corporation (“**Noble**”, the “**Network**” or the “**Borrower**”) was established in 1999 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Noble Network of Charter Schools is governed by a 17-member Board of Directors (see page 7).

Background: The Noble Network of Charter Schools prepares low-income students with the scholarship, discipline, and honor necessary to succeed in college and lead exemplary lives, and serves as a catalyst for education reform in Chicago.

In 1999, two Chicago Public School teachers opened Noble Street Charter School in cooperation with the Northwestern University Settlement Association. Noble graduated its first class in 2003. More than 85% of graduates pursued postsecondary education.

Noble was founded on many of the same entrepreneurial principles that have built successful businesses—strong leadership, meaningful use of data, and a high degree of accountability. With longer class periods, a longer school day, and a longer school year, Noble provides students with substantially more instructional time than the traditional Chicago public high school. This extra time, combined with a disciplined, consistent school culture, high expectations, and a team of dedicated teachers, results in dramatically improved academic performance.

In 2005, Noble began its expansion to serve more students. Noble’s first two expansion campuses, Rauner College Prep and Pritzker College Prep, opened their doors to serve an additional 400 students in 2006. In 2008, Noble opened its sixth and seventh campuses, UIC College Prep and Gary Comer College Prep. In 2010, Johnson College Prep, Noble’s tenth campus, opened in the Englewood community. In August 2011, Noble opened its first middle school at the site of Gary Comer College Prep in the Grand Crossing community. Noble began its next phase of expansion in August 2012 by opening two new campuses. DRW Trading College Prep (serves Chicago's West Side in Homan Square) and Noble Auburn Gresham College Prep is located in the Auburn Gresham community on the far South Side.

In the spring of 2012, for the fourth year in a row, all Noble campuses with juniors taking the ACT ranked in the top ten highest performing open enrollment schools in the city of Chicago (Link: www.noblenetwork.org/about-noble/achievements-results).

Further information about Noble, its history, mission, values, achievements, administration, Board of Directors and academic approach is available at its website: www.noblenetwork.org.

The School is subject to a “Charter Agreement” with the Chicago School Reform Board of Trustees (Chicago Public Schools). The Charter Agreement was for an original term of five years ending June 30, 2004 and was renewed through June 30, 2009 and again through June 30, 2014. Additionally, Noble has been certified as a charter school by the Illinois State Board of Education.

IFF Credit
Enhancement
Program:

Administered through the U.S. Department of Education’s budget, the **Charter School Credit Enhancement Program (“CSCEP”)** promotes public/private partnership by assisting public and nonprofit entities in leveraging non-Federal funds that help charter schools obtain facilities through purchase, lease, renovation, and construction.

IFF’s CSCEP provides credit enhancement in the form of a debt reserve of up to 10% of the financed amount to be accessed by the lender (or bond investor) in the event of a default to make debt payments. This CSCEP credit enhancement typically serves as a supplemental reserve to a bond financed debt reserve and held by the Bond Trustee.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Noble Network of Charter Schools, 1 North State Street, Floor 7-L, Chicago (Cook County), IL 60602

Contact: Michael Milkie, Superintendent and CEO: (T) 773-278-6895; email: mmilkie@noblenetwork.org

Website: <http://www.noblenetwork.org/>

Site Locations: **Noble Auburn Gresham (8748 S. Aberdeen)**

The construction of the Noble Auburn Gresham College Prep campus, located at 8748 S. Aberdeen in the Auburn Gresham (Brainerd) neighborhood, involved the remodeling of and construction and equipping of an addition to an existing Archdiocese of Chicago grade school. The project was materially completed in 2012. This 52,165 square foot building is leased from the Archdiocese to the Noble Network of Charter Schools on a thirty-year term. The school will serve grades 9-12.

Muchin (1 N. State)

The construction of the Muchin College Prep campus, located at 1 N. State Street, involved remodeling of an existing office building space located on the seventh floor. This was the first high school located within a high-rise building in downtown Chicago, thereby creating a unique public school option that can be readily accessed by various modes of public transportation. Muchin College Prep serves grades 9-12. The project was materially completed in 2009. The 67,313 square foot building is leased from Stonewater One North State Funding, LLC (*see p. 6 for ownership information on the building lessor*) to the Noble Network of Charter Schools on a twenty-year term. Proceeds of an existing \$3.1 million taxable term loan would be refinanced as part of the contemplated IFA Series 2013 Bond issue.

New Money for Additional Capital Projects

Seven additional campuses of the Noble Network of Charter Schools (i.e., Noble, Rauner, Pritzker, Rowe-Clark, Golder, Auburn-Gresham (Hansberry), and DRW) require ongoing maintenance to ensure that they are adequately maintained on an ongoing basis. Accordingly, additional funding may be used to finance various capital projects and renovations on these campuses.

Likewise, Noble Network of Charter Schools is in the process of acquiring land for a new campus (ITW charter schools).

Project name: IFA 501(c)(3) Revenue Bond (Noble Network of Charter Schools Project), Series 2013

Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code

Lessors of
 School
 Properties:

Certain campuses in the Noble Network are subject to lease arrangements with various lessors identified below:

| School Facility | Lessor |
|---|--|
| Noble Street College Prep | Northwestern University Settlement Association (“NUSA”), an Illinois not-for-profit corporation, 1200 Augusta Blvd., Chicago, IL 60622. Contact: Mr. Ray Manderschied, President; Phone: 773-278-7471 |
| Rauner College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Mr. Kevin J. Marzalik, Director, Department of Financial Services; Phone: 312-534-8200 |
| Pritzker College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Mr. Kevin J. Marzalik, Director, Department of Financial Services; Phone: 312-534- |
| Golder College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Mr. Kevin J. Marzalik, Director, Department of Financial Services; Phone: 312-534-8200 |
| Hansberry (Auburn Gresham) College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Mr. Kevin J. Marzalik, Director, Department of Financial Services; Phone: 312-534-8200 |
| Gary Comer College Prep | GCCP, LLC. an Illinois limited liability company, c/o Mr. Gregory E. Mooney, Agent, 939 W. North Ave., Suite 850, Chicago, IL 60622; Members: Guy B. Comer, 939 W. North Ave., Suite 850, Chicago, IL 60601 and William T. Schleicher, Jr., 20875 Crossroads Circle, Suite 100, Waukesha, WI 53186 |
| UIC College Prep | Chicago Board of Education, 125 South Clark Street, 6 th Floor, Chicago, IL 60603 Phone: (773) 553-1600 |
| Chicago Bulls College Prep | Chicago Board of Education, 125 South Clark Street, 6 th Floor, Chicago, IL 60603 Phone: (773) 553-1600 |
| Johnson College Prep | Chicago Board of Education, 125 South Clark Street, 6 th Floor, Chicago, IL 60603 Phone: (773) 553-1600 |
| Muchin College Prep | Stonewater One North State Street Funding, LLC, a Delaware limited liability company, and an affiliate of FD Stonewater, 1001 N. 19 th Street, Suite 930 Arlington, VA 22209; ; Contact: David Stade or Jeffrey Toporek, 703-537-7650 |
| DRW Trading College Prep | Foundation for Homan Square, an Illinois not-for-profit corporation, (formerly Homan Square Power House), 3517 W. Arthington St., Chicago, IL 60624; Contact: Ms. Kristin Dean, President, ; Phone: 773-265-4404 |

Tenant
 (Sub-lessee)
 at Noble
 Property:

| School Facility | Sublessees (i.e., subleasing from Noble) |
|--------------------------|--|
| DRW Trading College Prep | Sublessee: HFLI Academies of Illinois, NFP, (formerly Henry Ford Academies of Illinois, NFP (sub-tenant) d/b/a Power House High), c/o Law Offices of Kathryn M. Vanden Berk, Esq., (Agent), 203 N. LaSalle Street, Suite 2100, Chicago, IL 60601, 312-558-1690 |

Board of
 Directors:

Allan Muchin
Chairman of the Board, Noble Network of Charter Schools;
 Chairman Emeritus, Katten Muchin Rosenman;

Michael Milkie
 CEO and Superintendent, *Noble Network of Charter Schools*

Cecil Curtwright
 Associate Vice Provost for Academic and Enrollment Services, University of Illinois Chicago

Guy Comer
 President, Comer Science & Education Foundation

John Harris
 Managing Partner, Wishbone Management, LP
 Analyst, Ruane, Cunniff & Goldfarb, Inc.

Rebeca Nieves Huffman
 Illinois State Executive Director, Democrats for Education Reform

Harvey Medvin
 Retired EVP and CFO, AON Corporation

Anne Mueller
 Community Leader

Martin Nesbitt, Co-CEO, Vistria Group

Nancy Golder Northrip
 Owner, Ultimate Gymnastics
 Golder Family Foundation

Troy Ratliff
 Manager of the Administrative Service Organization, Dept. of Human Services, State of IL

Bruce Rauner
 Retired Principal & Chairman, GTCR

Rauner Family Foundation

Jonathan Reinsdorf
 Founding Partner, Stonegate Development Partners LLP

William Rowe
 Associate, Baker & McKenzie LLP,
 Rowe Family Charitable Trust

Jean Sheridan
 Retired Executive Vice President,
 Northern Trust

Menno Vermeulen
 Partner, LSV Asset Management

David Weinberg
 Founder & President, Illinois Network of Charter Schools

Jennifer Wilson
 Partner, DRW Trading Group

PROFESSIONAL & FINANCIAL

| | | | |
|----------------------------------|-----------------------------------|-------------|------------------------------------|
| Borrower's Counsel: | Cahill Law Office | Chicago, IL | Kevin Cahill |
| Borrower's Financial Advisor: | Lighthouse Capital Advisors | Chicago, IL | Lindsay Wall, Michael Boisvert |
| Auditor: | Ostrow Reisin Berk & Abrams Ltd. | Chicago, IL | |
| Bond Counsel: | Greenberg Traurig LLP | Chicago, IL | Matt Lewin |
| Placement Agent: | B.C. Ziegler & Company | Chicago, IL | Scott Rolfs |
| Placement Agent's Counsel: | Peck, Shaffer & Williams LLP | Chicago, IL | Tom Smith |
| Trustee: | Amalgamated Bank | Chicago, IL | Michele Martello |
| Architect: | Wheeler Kearns Architects | Chicago, IL | Larry Kearns |
| General Contractor: | Bulley & Andrews | Chicago, IL | Tim Puntillo |
| IFA Counsel: | Burke Burns & Pinelli Ltd. | Chicago, IL | Mary Pat Burns, Stephen Welcome |
| IFA Financial Advisor: | Public Financial Management, Inc. | Chicago, IL | Shannon Williams |

LEGISLATIVE DISTRICTS

Baker College Prep
(2710 E. 89th St., Chicago)

Congressional: 2
State Senate: 13
State House: 26

Chicago Bulls College Prep
(2040 W. Adams, Chicago)

Congressional: 7
State Senate: 5
State House: 10

DRW Trading College Prep
(931 S. Homan, Chicago)

Congressional: 7
State Senate: 5
State House: 9

Gary Comer College Prep
7131 S. South Chicago Ave., Chicago)

Congressional: 1
State Senate: 3
State House: 5

Gary Comer College Prep Middle School
(1010 E. 72nd St., Chicago)

Congressional: 1
State Senate: 3
State House: 5

Golder College Prep
(1454 W. Superior, Chicago)

Congressional: 5
State Senate: 2
State House: 4

Hansberry (Auburn Gresham) College Prep
(8748 S. Aberdeen St., Chicago)

Congressional: 1
State Senate: 14
State House: 27

Johnson College Prep
(6350 S. Stewart, Chicago)

Congressional: 1
State Senate: 3
State House: 6

Muchin College Prep
(1 N. State St., Chicago)

Congressional: 7
State Senate: 3
State House: 5

Noble Pullman College Prep
(821 E. 103rd St., Chicago)

Congressional: 2
State Senate: 17
State House: 34

Noble Street College Prep
(1010 N. Noble St., Chicago)

Congressional: 5
State Senate: 2
State House: 4

Pritzker College Prep
(4131 W. Cortland St., Chicago)

Congressional: 4
State Senate: 2
State House: 4

Rauner College Prep
(1337 W. Ohio St., Chicago)

Congressional: 5
State Senate: 2
State House: 4

Rowe-Clark Math & Sciences Academy
(3645 W. Chicago Ave., Chicago)

Congressional: 7
State Senate: 5
State House: 10

UIC College Prep
(1231 S. Damen Ave., Chicago)

Congressional: 7
State Senate: 5
State House: 9



\$42,000,000
Illinois College of Optometry

August 13, 2013

| | | | | | | | | | | | | | | | | | |
|--------------------------|--|------------------|-----------------------------|--------------|--------------------|-----------|---------------------|------------------|-----------------------------|--|--|------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| REQUEST | <p>Purpose: The proceeds will be used by Illinois College of Optometry (“ICO”, the “Corporation” or the “Borrower”) to (i) refund the outstanding Illinois Educational Facilities Authority Revenue Bonds, Illinois College of Optometry, Series 1998, Select Auction Variable Rate Securities (“SAVRS”) (the “Prior Bonds”) and (ii) pay certain costs and expenses incurred in connection with the issuance of the Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | Final Bond Resolution (one-time consideration) | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None. This is the first time this project is being presented to the Board. | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0"> <tr> <td>191</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table> | 191 | Current jobs | N/A | New jobs projected | N/A | Retained jobs | N/A | Construction jobs projected | | | | | | | | |
| 191 | Current jobs | N/A | New jobs projected | | | | | | | | | | | | | | |
| N/A | Retained jobs | N/A | Construction jobs projected | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> • Location (Chicago/Cook County/Northeast Region) • The Illinois College of Optometry has a long and distinguished legacy as the oldest continually operating educational facility in the world dedicated solely to the teaching of optometrists. Since its founding in 1872 by Dr. Henry Olin, ICO has remained at the forefront of optometry through the dedicated efforts of faculty, students and alumni. For more than 140 years, the Illinois College of Optometry has been dedicated to providing an unsurpassed educational experience to optometry students who share our passion for excellence. The mission of the Illinois College of Optometry is to provide excellence in optometric clinical education. ICO is located in the South Loop area of the City of Chicago. • The ICO complex encompasses over 366,000 square feet and includes an electronically enhanced lecture center, library, computerized clinical learning equipment, and recreational and living facilities. The Illinois Eye Institute (IEI) is the principal clinical training facility for ICO students and is located adjacent to the College. In addition to primary eye care, sub-specialty care such as glaucoma, retina-vitreous, neuro-ophthalmic disorders, cornea-external disease, orbit-oculoplastics, pediatrics/strabismus-amblyopia and low vision rehabilitation. The IEI serves as a center for clinical research involving eye and vision problems including glaucoma, age-related macular degeneration (ARMD), cornea and contact lenses, and pediatric eye disorders. | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> • The plan of finance contemplates fixed rate bonds privately placed with BMO Harris Bank. | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> • Unsecured with a negative lien on all assets and Series 2013 Note. | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> • Bonds will mature no later than 2028. | | | | | | | | | | | | | | | | |
| 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>\$40,670,000</u></td> <td>Refunding Escrow</td> <td>\$40,156,779</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td><u>513,221</u></td> </tr> <tr> <td>Total</td> <td><u>\$40,670,000</u></td> <td>Total</td> <td><u>\$40,670,000</u></td> </tr> </table> | Sources: | | Uses: | | IFA Bonds | <u>\$40,670,000</u> | Refunding Escrow | \$40,156,779 | | | Cost of Issuance | <u>513,221</u> | Total | <u>\$40,670,000</u> | Total | <u>\$40,670,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | |
| IFA Bonds | <u>\$40,670,000</u> | Refunding Escrow | \$40,156,779 | | | | | | | | | | | | | | |
| | | Cost of Issuance | <u>513,221</u> | | | | | | | | | | | | | | |
| Total | <u>\$40,670,000</u> | Total | <u>\$40,670,000</u> | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Committee recommends approval | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 August 13, 2013**

Project: Illinois College of Optometry

STATISTICS

| | |
|---------------------------------|--|
| Project Number: H-HO-TE-CD-8638 | Amount: \$42,000,000 (not-to-exceed) |
| Type: 501(c)(3) Revenue Bonds | IFA Staff: Pam Lenane and Nora O'Brien |
| Location: Chicago | County/Region: Cook/Northeast |

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by **Illinois College of Optometry** (“ICO”, the “**Corporation**” or the “**Borrower**”) to: refund the outstanding Illinois Educational Facilities Authority Revenue Bonds, Illinois College of Optometry, Series 1998, Select Auction Variable Rate Securities (“SAVRS”) (the “**Prior Bonds**”) and (ii) pay certain costs and expenses incurred in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

| | | | |
|--------------------|----------------------------|--------------------------------|----------------------------|
| Sources: IFA Bonds | <u>\$40,670,000</u> | Uses: Refunding Escrow Deposit | \$40,156,779 |
| | | Costs of Issuance | <u>513,221</u> |
| Total | <u>\$40,670,000</u> | Total | <u>\$40,670,000</u> |

JOBS

| | |
|-------------------------|-------------------------|
| Current employment: 191 | Projected new jobs: N/A |
| Jobs retained: N/A | Construction jobs: N/A |

FINANCING SUMMARY

Credit Enhancement: None

Structure: The plan of finance contemplates fixed rate bonds privately placed with BMO Harris Bank

Interest Rate: To be determined prior to closing

Interest Rate Modes: Fixed Rate

Underlying Ratings: None

Maturity: No later than 2028

Estimated Closing Date: August 15, 2013

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Illinois College of Optometry** ("ICO", the "**Corporation**" or the "**Borrower**") to: (i) refund the outstanding Illinois Educational Facilities Authority Revenue Bonds, Illinois College of Optometry, Series 1998, Select Auction Variable Rate Securities ("SAVRS") (the "**Prior Bonds**") and (ii) pay certain costs and expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Illinois College of Optometry (the "**College**"), located on the Near South Side of Chicago, is a private not-for-profit institution providing a four-year graduate level program of professional health care education leading to the doctorate degree in optometry ("**O.D.**"). The educational program of the College includes both classroom and laboratory instruction, in addition to clinical training. The clinical training is performed at the College's Illinois Eye Institute ("**Eye Institute**") which serves over 80,000 patient encounters per year, and at approximately 75 partner clinical sites. The College is the oldest institution of optometric education in the country. The College and its predecessor institutions have been in continuous operation since 1872.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Illinois College of Optometry

Site Address: 3241 South Michigan Avenue
Chicago, Illinois 60616

Contact: John Budzynski
Vice President for Business and Finance, Chief Financial Officer
Illinois College of Optometry
3241 South Michigan Avenue
Chicago, Illinois 60616
P: 312.949.7020
E: jbudzynski@ico.edu

Website: www.ico.edu

Project name: Illinois College of Optometry

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

State: Illinois

Ownership: 2012-13 Board Members (501(c)(3) corporation):

| | | |
|--|--|--|
| Richard S. Kattouf, O.D., D.O.S. (Chairman, Board of Trustees) Advanced Eye Care Warren, OH | Charles Quattrochi, C.P.A. (Treasurer, Board of Trustees) Raymond James Financial Services LaGrange, IL | Michael Stinziano, PH.D., W.C.P., C.W.C.P. (Secretary, Board of Trustees) Columbus, OH |
| Neil Hodur, O.D. (Faculty Trustee) Professor of Optometry Illinois College of Optometry Chicago, IL | Pamela Lowe, O.D., F.A.A.O. (Alumni Trustee) Professional Eye Care Center Niles, IL | Donna J. Thompson, R.N.,M.S. (Public Trustee) CEO, Access Community Health Network Chicago, IL |
| Dwight Akerman, O.D., F.A.A.O. (Director) Director Professional Affairs Alcon Laboratories Ft. Worth, TX | Vasvi Babu, O.D. (Director) 20/20 Image Eye Centers Tempe, AZ | Donovan Crouch, O.D., F.A.A.O. (Director) Vision Care Associates, P.C. Storm Lake, IA |
| R. Michael Daley (Director) Optical Lab Division Liaison The Vision Council Alexandria, VA | Joseph Derezinski, M.S. (Director) Sr. Vice President BMO Harris Bank Chicago, IL | Karen Eng, O.D. (Director) President, CSMI Schaumburg, IL |
| Paul Erickson, O.D., Ph.D., F.A.A.O. (Director) Vice President R&D Adventus Technology, Inc. Irvine, CA | Robert Fait, O.D. (Director) Family Vision & Contact Lens Centers, S.C, Burlington, WI | Dwain Hahs (Director) Retired Jackson, MO |
| Geri Sands Hansen (Director) Chief Investment Officer Attucks Asset Management LLC Chicago, IL | Brian Higgins (Director) Entrepreneur Dayton, OH | Stephen Pugh, Esq. (Director) President Pugh, Jones & Johnson, P.C. Chicago, IL |
| Jeff Smith, O.D. M.B.A. (Director) Executive Vice President/Chief Medical Officer HVHC San Antonio, TX | | |

PROFESSIONAL & FINANCIAL

| | | | |
|--------------------------|-----------------------------------|---------|------------------------------|
| Bond/Borrower's Counsel: | Ungaretti & Harris | Chicago | Floyd Perkins |
| Auditor: | Crowe Horwath LLP | Chicago | Stuart Miller |
| Placement Agent: | Ziegler | Chicago | Scott Winter/Peggy Weingartz |
| Bond Trustee: | Bank of New York | Chicago | Kathy Cokic |
| IFA Counsel: | Miller, Canfield, Paddock & Stone | Chicago | Paul Durbin |
| Bank Purchaser: | BMO Harris Bank | Chicago | Joe Derezinski |
| Bank Counsel: | Chapman and Cutler | Chicago | Carol Thompson |
| IFA Financial Advisor: | Public Financial Management, Inc. | Chicago | Shannon Williams |

LEGISLATIVE DISTRICTS

| | |
|----------------|---|
| Congressional: | 1 |
| State Senate: | 3 |
| State House: | 6 |



August 13, 2013

\$30,000,000
Peace Village

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|----------------------------------|-----------------------------|--------------|--------------------|-----------|---------------------|----------------------------------|-----------------------------|--|--|---------------------------|-----------|--|--|----------------------|-----------|--|--|-------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by Peace Village (the “Corporation” or the “Borrower”) to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower’s senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the “Series 2003A Bonds”); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the “Series 2003B Bonds” and, together with the Series 2003A Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | <p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 5/14/2013 Yeas: 12; Nays: 0; Abstentions: 0; Absent 2 (Gold, Leonard); Vacancy: 1</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | <p>Not-to-exceed amount increased by \$5,000,000.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0"> <tr> <td>110</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>110</td> <td>Retained jobs</td> <td>25</td> <td>Construction jobs projected</td> </tr> </table> | 110 | Current jobs | N/A | New jobs projected | 110 | Retained jobs | 25 | Construction jobs projected | | | | | | | | | | | | | | | | |
| 110 | Current jobs | N/A | New jobs projected | | | | | | | | | | | | | | | | | | | | | | |
| 110 | Retained jobs | 25 | Construction jobs projected | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> Location (Palos Park/Cook County/Southwest Region) | | | | | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> The Bonds will be sold at a fixed rate in a public offering. The Bonds will not carry a rating. A feasibility study will be done so that bonds may be sold in denominations less than \$100,000. | | | | | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> Mortgage and Revenue Pledge | | | | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> Bonds will mature no later than 2043. | | | | | | | | | | | | | | | | | | | | | | | | |
| 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>\$23,000,000</u></td> <td>Refunding of Series 2003AB Bonds</td> <td>\$16,225,000</td> </tr> <tr> <td></td> <td></td> <td>Debt Service Reserve Fund</td> <td>1,763,650</td> </tr> <tr> <td></td> <td></td> <td>Capital Improvements</td> <td>4,293,350</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>718,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$23,000,000</u></td> <td>Total</td> <td><u>\$23,000,000</u></td> </tr> </table> | Sources: | | Uses: | | IFA Bonds | <u>\$23,000,000</u> | Refunding of Series 2003AB Bonds | \$16,225,000 | | | Debt Service Reserve Fund | 1,763,650 | | | Capital Improvements | 4,293,350 | | | Costs of Issuance | <u>718,000</u> | Total | <u>\$23,000,000</u> | Total | <u>\$23,000,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | | | | | |
| IFA Bonds | <u>\$23,000,000</u> | Refunding of Series 2003AB Bonds | \$16,225,000 | | | | | | | | | | | | | | | | | | | | | | |
| | | Debt Service Reserve Fund | 1,763,650 | | | | | | | | | | | | | | | | | | | | | | |
| | | Capital Improvements | 4,293,350 | | | | | | | | | | | | | | | | | | | | | | |
| | | Costs of Issuance | <u>718,000</u> | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$23,000,000</u> | Total | <u>\$23,000,000</u> | | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | <p>Credit Review Committee recommends approval.</p> | | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 13, 2013**

Project: Peace Village

STATISTICS

| | | | |
|-----------------|-------------------------|--------------------|------------------------------|
| Project Number: | H-SL-TE-CD-8623 | Amount: | \$30,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Pam Lenane and Nora O'Brien |
| Location: | Palos Park | County/ Region: | Cook/Southwest |

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution approved 5/14/2013
Yeas: 12; Nays: 0; Abstentions: 0; Absent 2 (Gold, Leonard); Vacancy: 1

PURPOSE

Bond proceeds will be used by **Peace Village** (the "**Corporation**" or the "**Borrower**") to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower's senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the "**Series 2003A Bonds**"); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the "**Series 2003B Bonds**" and, together with the Series 2003A Bonds, the "**Prior Bonds**"); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:

| | | | |
|--------------|----------------------------|---|----------------------------|
| IFA Bonds | <u>\$23,000,000</u> | Uses: | |
| | | Refunding of Series 2003AB IFA Bonds | \$16,225,000 |
| | | Debt Service Reserve Fund | 1,763,650 |
| | | Capital Improvements | 4,293,350 |
| | | Costs of Issuance | <u>718,000</u> |
| Total | <u>\$23,000,000</u> | Total | <u>\$23,000,000</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|-----|
| Current employment: | 110 | Projected new jobs: | N/A |
| Jobs retained: | 110 | Construction jobs: | 25 |

FINANCING SUMMARY

| | |
|-------------------------|--|
| Credit Enhancement: | None |
| Structure: | The plan of finance contemplates issuing fixed rate bonds in a public offering |
| Interest Rate: | To be determined based on market conditions the day of pricing |
| Interest Rate Modes: | Fixed |
| Underlying Ratings: | None |
| Maturity: | No later than 2043 |
| Estimated Closing Date: | September 25, 2013 |

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used by **Peace Village** (the "**Corporation**" or the "**Borrower**") to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower's senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the "**Series 2003A Bonds**"); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the "**Series 2003B Bonds**" and, together with the Series 2003A Bonds, the "**Prior Bonds**"); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

BUSINESS SUMMARY

Peace Village and Circle Inn are Illinois not-for-profit corporations. The Village is located in Palos Park, a suburb approximately 10 miles southwest of Chicago, and consists of 238 independent living units. Circle Inn, on the same campus, consists of 65 assisted living apartments. In addition, Peace Memorial Ministries owns Peace Properties, LLC, a for-profit subsidiary that owns real estate, including a medical office building, in southwest suburban Chicago.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Peace Village

Site Address: Peace Village and Circle Inn
10300 Village Circle Drive,
Palos Park, IL 60464

Contact: Harvey Leffring
Chief Executive Officer
Peace Village and Circle Inn
10300 Village Circle Drive,
Palos Park, IL 60464
708-671-2400
hleffring@peacevillage.org

Website: www.peacevillage.com

Project name: Peace Village

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

State: Illinois

Ownership/2012-13 Board Members (501(c)(3)):
Joe Ferrantelli, President
Paul Gross, Secretary
Philip Hansen, Treasurer
Gary Kwiatkowski
Dr. James Magee
Rev. Vertie Powers
Pastor Todd Bean, Ex-Officio Non-Voting
Pastor Shana Johnson, Ex-Officio Non-Voting
Harvey Leffring, CEO, Ex-Officio Non-Voting

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|-------------------------------|----------|-----------------|
| Borrower's Counsel: | Timothy G. Lawler, Esq. | Hinsdale | Tim Lawler |
| Auditor: | Plante & Moran, PLLC | Chicago | Ed Slack |
| Bond Counsel: | Jones Day | Chicago | John Bibby |
| Underwriter: | Ziegler Capital Markets Group | Chicago | Steve Johnson |
| Underwriter's Counsel: | Dentons | Chicago | Katie Ashton |
| Bond Trustee: | Amalgamated Bank | Chicago | Remonia Jamison |
| Issuer's Counsel: | Sanchez Daniels & Hoffman | Chicago | John Cummins |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago | Jim Beck |

LEGISLATIVE DISTRICTS

Congressional: 3
State Senate: 18
State House: 36

SERVICE AREA

Peace considers its primary market area to be southwestern Cook County. Population studies indicate that Palos Park and the surrounding areas include a relatively high population of persons over 75 years of age with annual incomes that would qualify them for residency.

There are four competitive CCRCs in the primary market area:

1. Franciscan Village (Lemont, IL) is located approximately six miles west of the Village.
2. Victorian Village (Homer Glen, IL) is located approximately 4.5 miles west of the Village.
3. Marian Village (Homer Glen, IL) is located approximately 11 miles southwest of the Village.
4. Smith Crossing (Orland Park, IL) is located approximately 10 miles south of the Village.

\$215,000,000
Presence Health Network

August 13, 2013

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|--------------------|-----------------------------|--------------|--------------------|-----------|---------------|--------------------|-----------------------------|--|--|-------|--------------|--|--|-------|--------------|--|--|-------|--------------|--|--|-------|--------------|--|--|-------|--------------|--------------|----------------------|--------------|----------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by Presence Health Network (“Presence” or the “Borrower”) to (i) refund all or a portion of the \$125,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2005C (Resurrection Health Care) (the “Series 2005C Bonds”); (ii) refund all or a portion of the \$50,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009B (Provena Health) (the “Series 2009B Bonds”); (iii) refund all or a portion of the \$25,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (Provena Health) (the “Series 2009D Bonds”); (iv) refund all or a portion of the \$31,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010C (Provena Health) (the “Series 2010C Bonds”); (v) refund all or a portion of the \$41,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010D (Provena Health) (the “Series 2010D Bonds” and together with the Series 2005C Bonds, the Series 2009B Bonds, the Series 2009D Bonds, the Series 2010C Bonds and the Series 2010D Bonds, the “Prior Bonds”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds.</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | Preliminary Bond Resolution | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None. This is the first time this financing is being presented to the Board. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0"> <tr> <td align="center">21,800</td> <td align="center">Current employees</td> <td align="center">N/A</td> <td align="center">New jobs projected</td> </tr> <tr> <td align="center">N/A</td> <td align="center">Retained jobs</td> <td align="center">N/A</td> <td align="center">Construction jobs projected</td> </tr> </table> | 21,800 | Current employees | N/A | New jobs projected | N/A | Retained jobs | N/A | Construction jobs projected | | | | | | | | | | | | | | | | | | | | | | | | |
| 21,800 | Current employees | N/A | New jobs projected | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | Retained jobs | N/A | Construction jobs projected | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> • Location – Multiple locations in Chicago and the Northeast Region (see “Service Area”) • On November 1, 2011, Provena Health merged with Resurrection Health Care, forming the largest Catholic health system in the State of Illinois. These two systems are now joined as Presence Health. Among other activities, Presence Health operates 12 acute care hospitals and 27 senior care facilities. • Presence Health is sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary, the Sisters of the Holy Family of Nazareth, the Sisters of Mercy of the Americas and the Sisters of the Resurrection. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> • The current ratings of Presence Health are Baa1 / Stable, BBB+ / Stable, and BBB+ / Stable (Moody’s/S&P/Fitch). • The plan of finance contemplates the issuance of several tax-exempt series of bonds that will be purchased directly by various banks. The 2013 Bonds will refinance certain existing IFA-issued bonds. The 2013 Bonds will have a variable rate of interest tied to LIBOR and will be held by the banks for tenors up to ten years. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> • The Bonds will be issued pursuant to Presence Health Network’s Amended and Restated Master Trust Indenture (“MTI”) dated May 1, 2013. The banks will each have Master Notes under that MTI. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> • Bonds will mature no later than 2045. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td align="right">\$207,000,000</td> <td>Refund IFA Series:</td> <td></td> </tr> <tr> <td></td> <td></td> <td>2005C</td> <td align="right">\$60,000,000</td> </tr> <tr> <td></td> <td></td> <td>2009B</td> <td align="right">\$50,000,000</td> </tr> <tr> <td></td> <td></td> <td>2009D</td> <td align="right">\$25,000,000</td> </tr> <tr> <td></td> <td></td> <td>2010C</td> <td align="right">\$31,000,000</td> </tr> <tr> <td></td> <td></td> <td>2010D</td> <td align="right">\$41,000,000</td> </tr> <tr> <td>Total</td> <td align="right">\$207,000,000</td> <td>Total</td> <td align="right">\$207,000,000</td> </tr> </table> | Sources: | | Uses: | | IFA Bonds | \$207,000,000 | Refund IFA Series: | | | | 2005C | \$60,000,000 | | | 2009B | \$50,000,000 | | | 2009D | \$25,000,000 | | | 2010C | \$31,000,000 | | | 2010D | \$41,000,000 | Total | \$207,000,000 | Total | \$207,000,000 |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IFA Bonds | \$207,000,000 | Refund IFA Series: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2005C | \$60,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2009B | \$50,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2009D | \$25,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2010C | \$31,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2010D | \$41,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$207,000,000 | Total | \$207,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Committee recommends approval. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 13, 2013**

Project: Presence Health Network

STATISTICS

| | | | |
|-----------------|------------------------------|----------------|-------------------------------|
| Project Number: | H-HO-TE-CD-8639 | Amount: | \$215,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Pam Lenane and Nora O'Brien |
| Location: | Chicago and Central Illinois | County/Region: | Northeast |

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 has been presented to the Board.

PURPOSE

Bond proceeds will be used by **Presence Health Network** (“**Presence**” or the “**Borrower**”) to (i) refund all or a portion of the \$125,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2005C (Resurrection Health Care) (the “Series 2005C Bonds”); (ii) refund all or a portion of the \$50,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009B (Provena Health) (the “Series 2009B Bonds”); (iii) refund all or a portion of the \$25,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (Provena Health) (the “Series 2009D Bonds”); (iv) refund all or a portion of the \$31,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010C (Provena Health) (the “Series 2010C Bonds”); (v) refund all or a portion of the \$41,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010D (Provena Health) (the “Series 2010D Bonds”) and (vi) pay certain costs and expenses incurred in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

| Sources: | | Uses: | |
|-----------------|-----------------------------|--------------------|-----------------------------|
| IFA Bonds | <u>\$207,000,000</u> | Refund IFA Series: | |
| | | 2005C | \$60,000,000 |
| | | 2009B | \$50,000,000 |
| | | 2009D | \$25,000,000 |
| | | 2010C | \$31,000,000 |
| | | 2010D | <u>\$41,000,000</u> |
| Total | <u>\$207,000,000</u> | Total | <u>\$207,000,000</u> |

JOBS

| | | | |
|---------------------|------------------|---------------------|-----|
| Current employment: | 21,800 employees | Projected new jobs: | N/A |
| Jobs retained: | N/A | Construction jobs: | N/A |

FINANCING SUMMARY

| | |
|-------------------------|--|
| Structure: | The plan of finance contemplates the issuance of several tax-exempt series of bonds that will be purchased directly by various banks. The 2013 Bonds will refinance certain existing IFA-issued bonds. The 2013 Bonds will have a variable rate of interest tied to LIBOR and will be held by the banks for tenors of up to ten years. |
| Interest Rate: | To be finalized at closing. |
| Interest Rate Modes: | Variable Rate Direct Purchase |
| Underlying Ratings: | Presence Health is rated Baa1 / Stable, BBB+ / Stable, and BBB+ / Stable (Moody's/S&P/Fitch) |
| Maturity: | No later than 2045 |
| Estimated Closing Date: | September 17, 2013 |

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Presence Health Network** ("Presence" or the "Borrower") to (i) refund all or a portion of the \$125,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2005C (Resurrection Health Care) (the "Series 2005C Bonds"); (ii) refund all or a portion of the \$50,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009B (Provena Health) (the "Series 2009B Bonds"); (iii) refund all or a portion of the \$25,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (Provena Health) (the "Series 2009D Bonds"); (iv) refund all or a portion of the \$31,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010C (Provena Health) (the "Series 2010C Bonds"); (v) refund all or a portion of the \$41,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010D (Provena Health) (the "Series 2010D Bonds") and (vi) pay certain costs and expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "Financing Purposes").

BUSINESS SUMMARY

Presence Health Network is the largest Catholic healthcare network in the State of Illinois, comprising 12 hospitals, 27 long-term care and senior residential facilities, more than 90 primary and specialty care clinics, and 6 home health agencies. The combined health system has hospital operations throughout Chicago, as well as in Des Plaines, Evanston, Aurora, Elgin, Joliet, Kankakee, Urbana and Danville.

ECONOMIC DISCLOSURE STATEMENT

| | | |
|---------------|--|--|
| Applicant: | Presence Health Network | |
| Site Address: | Presence Health Network, 19065 Hickory Creek Drive, Suite 300, Mokena, IL 60448 | |
| Contact: | Anthony Filer, Chief Financial Officer Anthony.filer@presencehealth.org 708-478-7674 | Patrick Quinn, Assistant Treasurer Patrick.quinn@presencehealth.org 815-806-2328 |
| Website: | www.presencehealth.org | |
| Project name: | Presence Health Network, Series 2013 | |
| Organization: | 501(c)(3) Not-for-Profit Corporation | |
| State: | Illinois | |

The 2013 Board Members of Presence Health are listed below:

| Name | Title | City |
|--|---|------------------|
| Sandra Bruce | President and CEO, Presence Health | Chicago, IL |
| Haven Cockerham | President and CEO Cockerham & Associates LLC | Chapel Hill, NC |
| Bruce Hamory, M.D. | Geisinger Health | Lewisburg, PA |
| Mark Hanson, Esq. | Attorney in Private Practice | Joliet, IL |
| Thomas Huberty, MD | Retired Orthopaedic Physician | Sugar Grove, IL |
| Sister Patricia Ann Koschalke, CSFN | Corporate Member | Des Plaines, IL |
| Sister Clara Frances Kusek, CR | Corporate Member | Chicago, IL |
| Marsha Ladenburger | Retired Quality Management Consultant | Villa Hills, KY |
| Laurie Lafontaine | VP, Finance & Treasury Allina Health | Plymouth, MN |
| Sister Terry Maltby, RSM | Corporate Member/ Governance Consultant | Darien, IL |
| Susan McDonough | VP, Strategy & System Development Covenant Health Systems, Inc. | Tewksbury, MA |
| Victor Orler | Retired, Accenture | Hinsdale, IL |
| Kent Russell | Retired Executive VP/CFO Catholic Health East | Oro Valley, AZ |
| José Santiago, M.D. | Healthcare Consultant | Tucson, AZ |
| Sister Mary Shinnick, OSF | Corporate Member/Treasurer, Franciscan Sisters of the Sacred Heart | Frankfort, IL |
| Thomas Settles, Vice Chair | Retired | Johnsburg, IL |
| Sister Evelyn Varboncoeur, sscm | Corporate Member | Batavia, IL |
| Guy Wiebking, Chair | Retired Healthcare CEO | Chicago, IL |
| James Winikates | Retired CPA | River Forest, IL |

PROFESSIONAL & FINANCIAL

| | | | |
|--------------------------|------------------------|---------|-----------------------------|
| Borrower's Counsel: | Ungaretti & Harris | Chicago | Julie Seymour |
| Financial Advisor: | Kaufman Hall | Chicago | Ken Kaufman, Kate Guelich |
| Bond Counsel | Jones Day | Chicago | David Kates |
| Auditor: | KPMG | Chicago | Dana Lloyd |
| Banks: | Bank of America | Chicago | Charles Stein |
| | BBVA Compass | Dallas | Michael Wendling |
| | BMO Harris | Chicago | Deborah Capozzi |
| Bank Counsel: | Chapman and Cutler | Chicago | Carol Thompson, David Field |
| IFA Counsel: | Burke Burns & Pinelli | Chicago | Mary Pat Burns |
| IFA's Financial Advisor: | Acacia Financial Group | Chicago | Jim Beck |

LEGISLATIVE DISTRICTS

| | |
|----------------|---|
| Congressional: | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16 |
| State Senate: | 2, 6, 7, 8, 9, 10, 20, 22, 25, 28, 29, 35, 39, 40, 42, 43, 45, 51, 52 |
| State House: | 4, 12, 13, 15, 18, 19, 20, 43, 57, 65, 68, 69, 77, 79, 81, 83, 84, 85, 86, 89, 98, 103, 104 |

SERVICE AREA

The combined Presence Health system has hospital operations throughout Chicago, as well as in Des Plaines, Evanston, Aurora, Elgin, Joliet, Kankakee, Urbana and Danville. Illinois counties served by acute care hospitals include Champaign, Coles, Cook, DeKalb, DeWitt, Douglas, DuPage, Edgar, Ford, Grundy, Iroquois, Kane, Kankakee, Kendall, LaSalle, McHenry, Moultrie, Piatt and Will.

In Chicago, the service area comprises a total of 91 zip codes. In the suburban Chicago and Central Illinois markets for acute healthcare delivery, the total primary and secondary service areas can range from fifteen to fifty-six zip codes, depending upon the dynamics of that individual marketplace.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Pamela Lenane, Acting General Counsel and Vice President

Date: August 13, 2013

Re: Resolution Authorizing Actions to Assist with Proposed Affiliation of Northwestern Memorial HealthCare and Northwestern Medical Faculty Foundation

In March of this year, **Northwestern Memorial HealthCare** (“**NMHC**”) and **Northwestern Medical Faculty Foundation** (“**NMFF**”) executed a non-binding Letter of Intent (the “**LOI**”), pursuant to which they agreed that NMFF would become part of the NMHC system (the “**Affiliation**”). The respective boards of NMHC and NMFF and the NMFF members have now approved the Affiliation and the parties are finalizing the terms of the Affiliation documentation with a proposed closing date of September 1, 2013 (the “**Closing**”).

The current proposed terms of the Affiliation include NMHC becoming the sole corporate member of NMFF on the Closing and for **Northwestern Memorial Physician Group** (“**NMPG**”), a current affiliate of NMHC, to become a subsidiary of NMFF as soon as possible thereafter. At this time, the Affiliation also contemplates that NMPG will eventually be merged into NMFF.

The Authority has previously issued revenue bonds for both NMHC and its affiliates and NMFF. These revenue bonds are secured by notes that have been issued pursuant to the respective Master Trust Indentures to secure the payment of the revenue bonds. As soon as possible after the Closing, NMHC and NMFF would like to provide for a combination of the two Obligated Groups created by the Master Trust Indentures by NMFF becoming a member of the NMHC Obligated Group. In order to complete this combination, there may be amendments to the bond documents for the NMFF revenue bonds required in order to permit the substitution of new Master Trust Indenture note issued by the NMHC Obligated Group (after NMFF has become a member) for the existing NMFF note securing the bonds.

The only revenue bonds outstanding for the benefit of NMFF at this time have been privately placed with U.S. Bank. U.S. Bank’s consent to NMFF joining the NMHC Obligated Group and the substitution of the Master Trust Indenture note for the bonds held by U.S. Bank will be necessary to complete these transactions. NMHC and NMFF are in the process of obtaining the required consents and approvals from U.S. Bank.

NMHC has requested that the Illinois Finance Authority be prepared to provide any necessary consents or approvals to the Affiliation and the related transactions that may be required under the bond documents for the NMHC and NMFF bonds. The proposed resolution will delegate to the Executive Director and the acting General Counsel the authority to make the determination of what actions may be required by the Illinois Finance Authority to facilitate the Closing and to approve and document, if necessary, (1) the withdrawal of NMPG from the NMHC Obligated Group, (2) the merger of NMPG with NMFF, (3) the addition of NMFF to the NMHC Obligated Group and (4) the substitution of a Master Trust Indenture note issued by the NMHC Obligated Group for any note currently securing the Authority’s bonds for NMFF.

Resolution number 2013-0813-AD09

WHEREAS, the **Illinois Finance Authority** (the “*Authority*”) has been created by, and exists under, the Illinois Finance Authority Act (the “*Act*”); and

WHEREAS, the Authority has previously issued its revenue bonds (the “*Bonds*”) for the benefit of Northwestern Memorial Hospital (“*NMH*”), Northwestern Memorial HealthCare (“*NMHC*”) and Northwestern Medical Faculty Foundation (“*NMFF*”), each an Illinois not for profit corporation; and

WHEREAS, NMHC and NMFF executed a non-binding Letter of Intent dated March 15, 2013 (the “*LOI*”), pursuant to which they agreed that NMFF would become part of the NMHC system upon the terms and conditions set forth in the LOI; and

WHEREAS, NMHC and NMFF are each, together with certain of their respective affiliates, members of separate obligated groups (the “*NMHC Obligated Group*” and the “*NMFF Obligated Group*”, respectively) created under separate master trust indentures for the purpose of financing certain of the costs of the health care facilities of their respective Obligated Groups; and

WHEREAS, in furtherance of the affiliation set forth in the LOI, NMHC and NMFF may determine it is desirable to combine the credits of the NMHC Obligated Group and the NMFF Obligated Group, including, but not limited to, NMHC becoming the sole corporate member of NMFF and the merger or consolidation of certain affiliates of NMHC with NMFF (the “*Proposed Affiliation*”) and the exchange of obligations that have been delivered by the NMFF Obligated Group as security for any of the Bonds with substitution obligations issued by the NMHC Obligated Group and NMFF joining the NMHC Obligated Group (the “*MTI Obligation Exchange*”); and

WHEREAS, NMHC has requested that, if required by any of the documents related to the Bonds (the “*Bond Documents*”), the Authority execute such supplements or amendments to the Bond Documents or provide any necessary consents or approvals as may be necessary to complete the transactions proposed by the LOI, including but not limited to the Proposed Affiliation and the MTI Obligation Exchange;

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

Section 1. Bond Document Amendments. The Authority does hereby authorize and approve the execution by its Chairman, Vice Chairman or Executive Director (each an “*Authorized Officer*”) and the delivery and use of such supplements and amendments to the Bond Documents as may be required by the Bond Documents (as determined by the Executive Director and the acting General Counsel) to complete the transactions proposed by the LOI, including but not limited to the Proposed Affiliation and the MTI Obligation Exchange. The amendments and supplements shall be substantially in the forms approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the forms of such supplements and amendments to the Bond Documents.

Section 2. Exchange of Obligations. The Authority hereby approves the MTI Obligation Exchange.

Section 3. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, the Proposed Affiliation and the MTI Obligation Exchange, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be

and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable Authority Document.

Section 4. Separability. 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 5. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Nora O'Brien, Associate General Counsel

Date: August 13, 2013

Re: Resolution Approving a Procurement Policy for Legal, Financial and Other Professional and Artistic Services and Related Matters

On July 15, 2013, by **Public Act 098-0090** (the "**Act**"), the Illinois State General Assembly amended the **Illinois Procurement Code** (30 ILCS 500/1-1 *et seq.*) (the "**Code**"). Pursuant to Section 15 of the Act, contracts for legal, financial and other professional and artistic services entered into on or before December 31, 2018 by the **Illinois Finance Authority** (the "**Authority**") in which the State of Illinois is not obligated are excluded from most of the requirements set forth in the Code.

The Act further provides that such contracts shall be awarded through a competitive process authorized by the **Board of Directors of the Authority** (the "**Board**"), as well as the final approval by the Board of the terms of such contracts. In furtherance of the Board's authority, as granted in the Act, it is in the Board's best interest to set forth a **Procurement Policy** (the "**Policy**") to ensure an open and competitive process for the procurement of legal, financial and other professional and artistic services and to set forth the roles of the Board and Authority staff.

An excerpt from the Act and a Resolution follow this memorandum. A draft of the Policy is in your folders.

RESOLUTION NO. 2013-0813-AD08

**RESOLUTION APPROVING PROCUREMENT POLICY FOR LEGAL,
FINANCIAL AND OTHER PROFESSIONAL AND ARTISTIC
SERVICES AND RELATED MATTERS.**

WHEREAS, on July 15, 2013, by Public Act 098-0090 (the “Act”), the Illinois State General Assembly amended the Illinois Procurement Code (30 ILCS 500/1-1 *et seq.*) (the “Code”) by excluding certain contracts to be entered into by the Authority from the Code; and

WHEREAS, pursuant to Section 15 of the Act, contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Authority in which the State of Illinois is not obligated are excluded from the requirements set forth in the Code; and

WHEREAS, the Act further provides that such contracts shall be awarded through a competitive process authorized by the Board of the Authority, as well as the final approval by the Board of the Authority of the terms of such contracts;

WHEREAS, in furtherance of the Board’s authority, as granted in the Act, the Board has determined that is in its best interest to set forth certain procurement policies in order to ensure an open and competitive process for the procurement of legal, financial, and other professional and artistic services and to set forth the roles of the Board of the Authority and its staff.

NOW, THEREFORE, Be It Resolved by the members of the Illinois Finance Authority, as follows:

Section 1. The Authority hereby establishes a written procurement policy (the “Policy”) for the procurement of contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 (the “Contracts”) by the Authority in which the State of Illinois is not obligated.

Section 2. The Policy shall establish an open and competitive process for the procurement of such Contracts and shall include such delegation of authority to the Executive Director and the Authority staff as is determined by the Board to be in the best interest of the Authority.

Section 3. The Policy shall also provide adequate detail of the procedure to be followed by Authority staff so as to permit said staff to comply with the provisions of the Act and the determination of the Board.

Section 4. The Policy shall be consistent with the Authority’s long-standing commitment to transparency and making procurement decisions characterized by competitive selection, objective evaluation and proper documentation -- all in accordance with the Authority’s overriding fiduciary obligations and considerations.

Section 5. The Board hereby authorizes and ratifies the Policy as presented to the Board in substantially final form and authorizes the action or actions of the Chairman, the Vice Chairman and the Executive Director of the Authority in determining the revisions, if any, for and on behalf, of the Authority, and each of them hereby is, authorized and ratified in all respects; that from and after the execution and delivery of this Resolution, 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 this Resolution.

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

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

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

from the Health Information Exchange Fund. "Private funds" means gifts, donations, and private grants.

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(12) Contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the Board of the Illinois Finance Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the Board of the Illinois Finance Authority of the terms of the contract.

Notwithstanding any other provision of law, contracts entered into under item (12) of this subsection (b) shall be published in the Procurement Bulletin within 14 days after contract execution. The chief procurement officer shall prescribe the form and content of the notice. The Illinois Finance Authority shall provide the chief procurement officer, on a monthly basis, in the form and content prescribed by the chief procurement officer, a report of contracts that are

related to the procurement of goods and services identified in item (12) of this subsection (b). At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of each of these contracts shall be made available to the chief procurement officer immediately upon request. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Pamela Lenane, Acting General Counsel

Date: August 13, 2013

Re: Resolution Ratifying the Actions of the Executive Director of the Illinois Finance Authority (“IFA”) in Applying for New Market Tax Credits for the IFA and Delegating to the Executive Director of the Authority to Perform all Further Actions Necessary to Secure the Allocation of the New Market Tax Credits

On August 7, 2013, the Illinois Finance Authority (the “Authority”) applied to form an Illinois not for profit 501(c)(3) corporation for the purpose of creating a Community Development Entity (a “CDE”) to apply for an allocation of New Market Tax Credits with the Community Development Financial Institutions Fund (“CDFI Fund”).

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

Since the NMTC Program's inception, the CDFI Fund has made 749 awards allocating a total of \$36.5 billion in tax credit authority to CDEs through a competitive application process. This \$36.5 billion includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone.

The Authority is applying for these Credits to develop a new Program to fulfill the mission of the Authority to create jobs and expand business opportunities for the people of the State of Illinois.

IFA RESOLUTION NO. 2013-0813-AD__

RESOLUTION RATIFYING THE ACTIONS OF THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY (“IFA”) IN APPLYING FOR NEW MARKET TAX CREDITS FOR THE IFA AND DELEGATING TO THE EXECUTIVE DIRECTOR OF THE AUTHORITY TO PERFORM ALL FURTHER ACTIONS NECESSARY TO SECURE THE ALLOCATION OF THE NEW MARKET TAX CREDITS

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

WHEREAS, the Authority is authorized to enter into loans, contracts, agreements and mortgages in any manner connected with any of its corporate purposes and to invest its funds (20 ILCS 3501/801-30(a); and

WHEREAS, the General Assembly of Illinois determined and declared that the following was included as a policy behind the Authority: that for the benefit of the people of the State of Illinois, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions it is essential that all the people of the State be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills; that to achieve these ends it is of the utmost importance that private institutions of higher education within the State be provided with appropriate additional means to assist the people of the State in achieving the required levels of learning and development of their intellectual and mental capacities and skills (20 ILCS 3501/801-5(l); and

WHEREAS, On August 7, 2013, the Illinois Finance Authority (the “Authority”) applied to form an Illinois not for profit 501(c)(3) corporation for the purpose of creating a Community Development Entity (a”CDE”) to apply for an allocation of New Market Tax Credits with the Community Development Financial Institutions Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

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

Section 2. Purpose of the Program. The purpose of the Program is to create new ways to finance Projects throughout the State in accordance with the Authority’s corporate purpose. This purpose will also create jobs and help develop the welfare, health, and living conditions for the people of the State of Illinois.

Section 3. Ratification and Delegation to the Executive Director. The Authority hereby confirms, ratifies and approves all actions taken by the Executive Director and hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all such actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the funding and administration of the New Markets Tax Credit Program, including but not limited to, the formation of the Illinois Finance Authority Development Fund NFP, and including proceeding with a procurement pursuant to Public Act 098-0090 and any policies adopted by the Authority pursuant to Public Act 098-0090.

Section 4. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this resolutions; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 5. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 6. Enactment. This Resolution shall be in full force and effect immediately upon its passage and approval.