

ILLINOIS FINANCE AUTHORITY

March 10, 2015

AGENDA

COMMITTEE OF THE WHOLE MEETING

9:30 a.m.

**Michael A. Bilandic Building
160 North LaSalle Street
Conference Room N - 502
Chicago, Illinois 60601**

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

BOARD MEETING

10:30 a.m.

**Michael A. Bilandic Building
160 North LaSalle Street
Conference Room N - 502
Chicago, Illinois 60601**

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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|---|-----------------------------|--|------------------|----------|-------------|-------|
| Beginning Farmer Bonds <i>Final (One-Time Consideration)</i> | | | | | | |
| 1 | Dustin J. & Lauren R. Clark | St. Marie Township (Jasper County) & German Township (Richland County) | \$190,000 | - | - | PE/LK |
| Working Capital Guarantee <i>Final (One-Time Consideration)</i> | | | | | | |
| 2 | Edward & Connie Peterson | Kingston (DeKalb County) | \$240,000 | - | - | PE/LK |
| TOTAL AGRICULTURE PROJECTS | | | \$430,000 | - | - | |

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

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | FM |
|---|----------------------------------|-------------------------------|---------------------|----------|-------------|-------|
| Student Loan Revenue Bonds <i>Final</i> | | | | | | |
| 3 | Midwestern University Foundation | Downers Grove (DuPage County) | \$20,000,000 | N/A | N/A | RF/BF |
| 501(c)(3) Revenue Bonds <i>Final (One-Time Consideration)</i> | | | | | | |
| 4 | Noble Network of Charter Schools | Chicago (Cook) | \$22,500,000 | N/A | N/A | RF/BF |
| 501(c)(3) Revenue Bonds <i>Preliminary</i> | | | | | | |
| 5 | CHF-Cook, L.L.C. | Chicago (Cook) | \$45,000,000 | 5 | 115 | RF/BF |
| TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS | | | \$87,500,000 | 5 | 115 | |

HEALTHCARE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|---|--|-------------------------|----------------------|------------|-------------|-------|
| 501(c)(3) Revenue Bonds <i>Final</i> | | | | | | |
| 6 | Silver Cross Hospital | New Lenox (Will County) | \$315,000,000 | N/A | N/A | PL |
| 501(c)(3) Revenue Bonds <i>Final (One-Time Consideration)</i> | | | | | | |
| 7 | The University of Chicago Medical Center | Chicago (Cook County) | \$25,000,000 | N/A | N/A | PL |
| TOTAL HEALTHCARE PROJECTS | | | \$340,000,000 | N/A | N/A | |
| GRAND TOTAL | | | \$427,930,000 | 5 | 115 | |

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

| Tab | Action | Staff |
|--------------------|---|-------|
| Resolutions | | |
| 8 | Amendatory Resolution Authorizing the Issuance of an Agricultural Development Revenue Bond in an Aggregate Principal Amount Not To Exceed \$160,000 by the Illinois Finance Authority to Finance the Acquisition of Property by Rex A. Gehrig | PE/LK |
| 9 | Resolution Authorizing the Execution and Delivery of a Second Amendment to Bond and Loan Agreement Relating to the Industrial Development Revenue Bonds (Ockerlund Industries, Inc. Project) Series 2005 of the Illinois Finance Authority; and Related Matters | RF/BF |
| 10 | Resolution Authorizing the Purchase of the Series 2004 Bonds by Swedish American Hospital in Lieu of Redemption and the Cancellation of the AMBAC Bond Insurance Supporting the Series 2004 Bonds | PL |
| 11 | Withdrawn | |
| 12 | Resolution Authorizing Execution of a First Amendment to Intergovernmental Agreement with the Office of the State Fire Marshal for the Fire Truck Revolving Loan Program and Related OSFM Programs | CM |
| 13 | Resolution Cancelling Awards for the Accounting and Auditing Pool Contract | MG |

March 10, 2015

| | |
|--------------------------------------|---------------------------------|
| TO: William A. Brandt, Jr., Chairman | Michael W. Goetz, Vice-Chairman |
| Gila J. Bronner | Heather D. Parish |
| James J. Fuentes | Mayor Barrett F. Pedersen |
| Norman M. Gold | Roger Poole |
| Lerry Knox | Mordecai Tessler |
| Edward H. Leonard, Sr. | David Vaught |
| Carmen Lonstein | Bradley A. Zeller |
| Terrence M. O'Brien | |

RE: Message from the Executive Director

Dear Members of the Authority:

Chairman Brandt, Thank You for Your Service to the People of Illinois

With tireless energy and unflagging good humor, Bill Brandt, the longest-serving Chair of the Illinois Finance Authority ("Authority"), has announced that he will resign from the Authority as both its Chairman and as a Member effective March 31, 2015. On behalf of his Board colleagues and the staff of the Authority, we thank Chairman Brandt for volunteering thousands of hours since January 2008 and for leading us through challenging times for our state.

First and foremost, Chairman Brandt took the business model of the Authority very seriously. He made sure the Authority generated its own revenue, and did not rely on the Illinois taxpayer to support its operations and mission. He also made sure the Authority's general fund finished every year cash positive – or with income or a profit. This is a determination separate and apart from various accounting presentations that impacted the Authority's total audited cash position. Chairman Brandt did so during times that coincided with the worst economic crisis since the Great Depression.

Second, and hand in glove with running the Authority on a business or enterprise model as the General Assembly intended, Chairman Brandt valued hard-earned State taxpayer dollars above the Authority's public funds and he ensured that the finances of the Authority were structured accordingly. For example, when he was first appointed as Authority Chair, halfway through Fiscal Year 2008, the Authority's contingent State taxpayer guarantees ("Moral Obligation") stood at \$108.3 million through several outstanding bond issues. Today, the Authority's Moral Obligation exposure is just over \$36 million through a single borrower, representing a decline of nearly two-thirds. He maintained the Authority's (and that of its predecessors) unblemished record of entirely avoiding calls on the Moral Obligation. Chairman Brandt accomplished this reduction by overseeing the exit of Moral Obligation commitments, including the defeasance of the Authority's Revenue Refunding Bonds, Series 2010 (City of East St. Louis Project) (the "Distressed Cities Bonds") and the redemption and cash defeasance of the Authority's Rural Bond Bank/Authority Local Government program.

Third, Chairman Brandt ensured that the Authority had the tools from the General Assembly and support in the executive branch to effectively serve Illinois borrowers. A sample list of successful job creation and retention programs and initiatives include:

- Stimulus era Recovery Zone Facilities Bonds (Navistar)
- Midwestern Disaster Bonds (Kone-Quad Cities)
- Multi-State Issuance (various healthcare and senior living projects)
- Revived and updated AAA-rated State Revolving Fund in partnership with IEPA (Clean Water Initiative)

Fourth, during his tenure, Chairman Brandt ensured that the Authority was (and is) a predictable, objective, transparent and accountable organization that both reflects the diversity of our great state and is a reliable partner for all Authority's borrowers: hospitals and health systems, non-profit education, including universities, colleges, private and charter schools; senior and student living facilities; mid-sized factories; cultural institutions; farmers; and local governments. The Chairman also worked with the General Assembly to increase transparency by ensuring Board materials were available online. He was also committed to ensuring that both the Authority's staff and the teams assisting with the financing of projects reflected the diversity of our state.

Fifth and finally, Chairman Brandt has always understood the vital role that the Authority's financing projects have in making a positive impact on the lives of ordinary Illinois citizens: patients, nurses and doctors; students, teachers and professors; taxpayers to local governments; farmers; entrepreneurs; as well as factory workers and construction workers. Chairman Brandt knows that lower-cost project financing can lead to better wages, an enhanced standard of living and better lives for people across Illinois. This knowledge spurred Chairman Brandt develop what we hope becomes his legacy program: the pilot program to assist students with Deferred Action for Childhood Arrival ("DACA") immigration status attend medical and dental school in Illinois. About to enter its second year as a pilot, this program is helping seven students from Mexico (3), Brazil, Venezuela, Ecuador and Pakistan attend medical school in exchange for service in medically underserved areas of Illinois upon becoming doctors.

Chairman Brandt, your colleagues on the Board and the staff of the Authority thank you again for your leadership and for your service to the People of Illinois.

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

Respectfully,

Christopher B. Meister
Executive Director

Attachments:

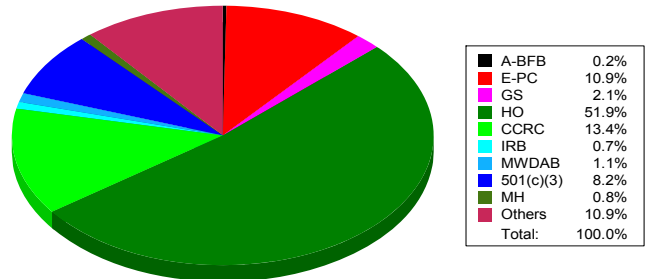
- Attachment 1 – Bonds Issued – Fiscal Year Comparison for the Period Ending February 28, 2015
- Attachment 2 – Bonds Issued and Outstanding as of February 28, 2015
- Attachment 3 – Schedule of Debt as of February 28, 2015

Bonds Issued - Fiscal Year Comparison for the Period Ending February 28, 2015

Fiscal Year 2013

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

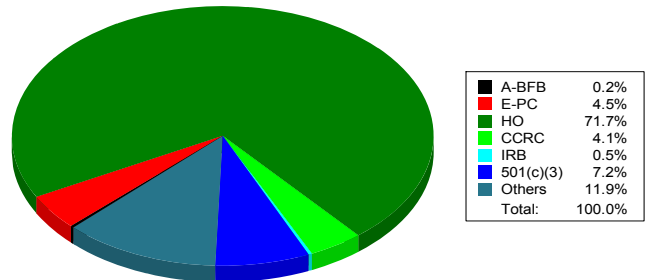
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

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

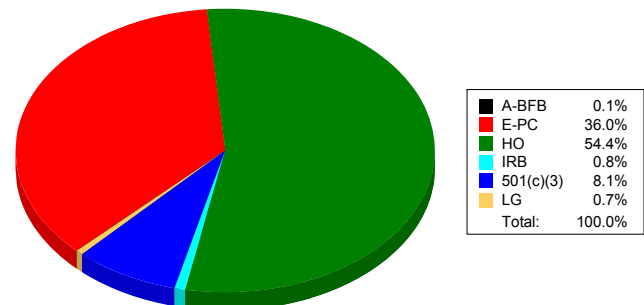
Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

| # | Market Sector | Principal Issued |
|-----------|-------------------------------|----------------------|
| 4 | Agriculture - Beginner Farmer | 1,491,950 |
| 3 | Education | 659,604,000 |
| 7 | Healthcare - Hospital | 995,755,000 |
| 2 | Industrial Revenue | 14,000,000 |
| 7 | 501(c)(3) Not-for-Profit | 147,676,075 |
| 1 | Local Government | 12,000,000 |
| <u>24</u> | | <u>1,830,527,025</u> |

Bonds Issued in Fiscal Year 2015



Bonds Issued and Outstanding as of February 28, 2015

Bonds Issued between July 01, 2014 and February 28, 2015

| <u>Bond Issue</u> | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u> | <u>Bonds Refunded</u> |
|--|--------------------|------------------------------|-------------------------------|--------------------------------|
| HO Southern Illinois Healthcare | 07/01/2014 | Variable | 127,215,000 | 51,235,000 |
| IRB Peddinghaus Corporation | 07/11/2014 | Variable | 4,000,000 | 0 |
| A-BFB Beginning Farmer Bonds | 07/01/2014 | Variable | 635,550 | 0 |
| 501(c)(3) Freeport Regional Health Care Foundation | 07/22/2014 | Variable | 40,000,000 | 0 |
| 501(c)(3) Lawrence Hall Youth Services | 08/13/2014 | Variable | 12,100,000 | 0 |
| HO The Carle Foundation | 08/08/2014 | Variable | 26,095,000 | 26,095,000 |
| E-PC University of Chicago | 08/12/2014 | Variable | 573,645,000 | 500,000,000 |
| E-PC Dominican University | 08/20/2014 | Variable | 19,800,000 | 19,800,000 |
| IRB Freedman Seating Company | 09/25/2014 | Variable | 10,000,000 | 5,068,417 |
| 501(c)(3) Rodgers Park Montessori School | 09/26/2014 | Fixed at Schedule | 18,515,000 | 10,000,000 |
| 501(c)(3) Lake Forest College | 10/17/2014 | Variable | 18,275,000 | 17,870,000 |
| 501(c)(3) Search, Inc. | 10/31/2014 | Variable | 10,355,000 | 9,965,000 |
| E-PC North Central College | 12/04/2014 | Variable | 66,159,000 | 46,500,000 |
| 501(c)(3) Navy Pier, Inc. | 12/16/2014 | Variable | 46,500,000 | 0 |
| HO Advocate Health Care | 12/18/2014 | Fixed at Schedule | 304,770,000 | 324,780,000 |
| 501(c)(3) Hispanic Housing Development Corporation | 12/24/2014 | Fixed at Schedule | 1,931,075 | 1,931,075 |
| HO The Reserve of Geneva | 12/23/2014 | Variable | 13,500,000 | 10,949,700 |
| HO Illinois Valley Community Hospital | 12/23/2014 | Variable | 21,830,000 | 11,160,000 |
| A-BFB Beginner Farmer Bonds | 01/01/2015 | Variable | 856,400 | 0 |
| HO Silver Cross Hospital | 01/28/2015 | Variable | 17,965,000 | 17,965,000 |
| HO Rush University Medical Center | 02/11/2015 | Fixed at Schedule | 484,380,000 | 484,380,000 |
| LG Pace Suburban Bus Service | 02/24/2015 | Variable | 12,000,000 | 0 |
| Total Bonds Issued as of February 28, 2015 | | | <u>\$1,830,527,025</u> | <u>\$ 1,537,699,192</u> |

Legend: Fixed Rate Bonds as shown

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

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

Beginner Farmer Bonds Funded between July 01, 2014 and February 28, 2015

| <u>Borrower</u> | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>Acres</u> | <u>County</u> |
|---|--------------------|------------------------------|----------------------------|----------------------|---------------|
| Gentry Storm | 09/19/2014 | 3.125 | 485,550 | 138.61 | Shelby |
| Adam E. Helregel | 11/19/2014 | 4.35 | 150,000 | 10.00 | Jasper |
| Thomas Frederick Justison | 01/05/2015 | 2.75 | 346,800 | 27.20 | Macon |
| David T. Mulch | 02/23/2015 | 2.85 | 509,600 | 80.00 | Montgomery |
| Total Beginner Farmer Bonds Issued | | | <u>\$ 1,491,950</u> | <u>255.81</u> | |

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section I (a)

| Section I (a) | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|-----------------------|-------------------|---------------------|--------------------|
| | June 30, 2014 | February 28, 2015 | | |
| Illinois Finance Authority "IFA" ^[b] | | | | |
| Agriculture | \$ 48,343,519 | \$ 48,979,069 | | |
| Education | 4,258,096,234 | 4,299,541,527 | | |
| Healthcare | 13,448,248,546 | 13,276,028,143 | | |
| Industrial Development [includes Recovery Zone/Midwest Disaster] | 699,148,562 | 768,633,446 | | |
| Local Government | 357,530,000 | 332,965,000 | | |
| Multifamily/Senior Housing | 171,092,016 | 169,297,062 | | |
| 501(c)(3) Not-for Profits | 1,398,527,100 | 1,395,202,413 | | |
| Exempt Facilities Bonds | 299,970,000 | 249,915,000 | | |
| Total IFA Principal Outstanding | \$ 20,680,955,977 | \$ 20,540,561,660 | | |
| Illinois Development Finance Authority "IDFA" ^[b] | | | | |
| Education | 496,388 | 496,388 | | |
| Healthcare | 83,400,000 | 83,400,000 | | |
| Industrial Development | 324,951,564 | 293,859,637 | | |
| Local Government | 315,078,470 | 306,852,834 | | |
| Multifamily/Senior Housing | 84,424,117 | 84,354,117 | | |
| 501(c)(3) Not-for Profits | 744,591,262 | 728,554,125 | | |
| Exempt Facilities Bonds | 75,000,000 | - | | |
| Total IDFA Principal Outstanding | \$ 1,627,941,801 | \$ 1,497,517,101 | | |
| Illinois Rural Bond Bank "IRBB" ^[b] | | | | |
| Total IRBB Principal Outstanding | \$ - | \$ - | | |
| Illinois Health Facilities Authority "IHFA" | \$ 807,134,980 | \$ 775,575,000 | | |
| Illinois Educational Facilities Authority "IEFA" | \$ 703,216,992 | \$ 657,105,990 | | |
| Illinois Farm Development Authority "IFDA" ^[f] | \$ 18,747,389 | \$ 18,747,389 | | |
| Total Illinois Finance Authority Debt | \$ 23,837,997,139 | \$ 23,489,507,141 | \$ 28,150,000,000 | \$ 4,660,492,859 |

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

Section I (b)

| Section I (b) | | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|----|-----------------------|-------------------|---------------------|--------------------|
| | | June 30, 2014 | February 28, 2015 | | |
| General Purpose Moral Obligations | | | | | |
| Illinois Finance Authority Act [20 ILCS 3501/801-40(w)] | | | | | |
| ** Issued through IRBB - Local Government Pools | \$ | 10,985,000 | | | |
| **Issued through IFA - Local Government Pools | | 21,370,000 | | | |
| Issued through IFA - Illinois Medical District Commission | | 37,600,000 | 36,280,000 | | (338,595,786) |
| Total General Moral Obligations | \$ | 69,955,000 | \$ 36,280,000 | \$ 150,000,000 | \$ 113,720,000 |
| Financially Distressed Cities Moral Obligations | | | | | |
| Illinois Finance Authority Act [20 ILCS 3501/825-60] | | | | | |
| Issued through IFA | \$ | - | \$ - | | |
| Issued through IDFA | | - | - | | |
| Total Financially Distressed Cities | \$ | - | \$ - | \$ 50,000,000 | \$ 50,000,000 |
| State Component Unit Bonds ^[c] | | | | | |
| Issued through IDFA ^[i] | | - | - | | |
| Issued through IFA ^[i] | | 148,237,655 | 123,458,813 | | |
| Total State Component Unit Bonds | \$ | 148,237,655 | \$ 123,458,813 | | |

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

Section I (c)

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|-----------------------|----------------------|---------------------|----------------------|
| | June 30, 2014 | February 28, 2015 | | |
| Midwest Disaster Bonds [Flood Relief] | \$ 66,044,684 | \$ 65,549,475 | \$ - | \$ 41,530,000 |

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

Section I (d)

| | ARRA Act of 2009 Volume Cap Allocated ^[h] | City/Counties Ceded Voluntarily to IFA | Bonds issued as of January 31, 2013 | Available "Ceded" Volume Cap |
|--|--|--|-------------------------------------|------------------------------|
| Recovery Zone Economic Development Bonds; | \$ 666,972,000 | \$ 16,940,000 | \$ 12,900,000 | \$ 4,040,000 |
| Recovery Zone Facilities Bonds | \$ 1,000,457,000 | \$ 204,058,967 | \$ 214,849,804 | \$ (10,790,837) |
| Qualified Energy Conservation Bonds | \$ 133,846,000 | \$ - | \$ 44,370,000 | \$ - |

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

| Section II | Principal Outstanding | | Program Limitations | Remaining Capacity |
|-----------------------|-----------------------|-------------------|---------------------|--------------------|
| | June 30, 2014 | February 28, 2015 | | |
| Illinois Power Agency | \$ - | \$ - | \$ 4,000,000,000 | \$ 4,000,000,000 |

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

| Section III | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|-----------------------|-------------------|---------------------------------|--------------------|
| | June 30, 2014 | February 28, 2015 | | |
| Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects | \$ - | \$ - | \$ 3,000,000,000 ^[d] | \$ 3,000,000,000 |

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

| Section IV | Principal Outstanding | | Program Limitations | Remaining Capacity | State Exposure |
|---|-----------------------|----------------------|-------------------------------|-----------------------|----------------------|
| | June 30, 2014 | February 28, 2015 | | | |
| Agri Debt Guarantees [Restructuring Existing Debt] | | | | | |
| Fund # 994 - Fund Balance \$10,139,512 | \$ 9,243,360 | \$ 8,619,740 | \$ 160,000,000 | \$ 151,380,260 | \$ 7,321,545 |
| AG Loan Guarantee Program | | | | | |
| Fund # 205 - Fund Balance \$7,830,638 | \$ 9,837,616 | \$ 9,065,431 | \$ 225,000,000 ^[e] | \$ 215,934,569 | \$ 7,705,617 |
| Agri Industry Loan Guarantee Program | \$ 5,108,251 | \$ 4,652,297 | | | 3,954,453 |
| Farm Purchase Guarantee Program | 917,680 | 909,887 | | | 773,404 |
| Specialized Livestock Guarantee Program | 2,763,756 | 2,471,237 | | | 2,100,551 |
| Young Farmer Loan Guarantee Program | 1,047,929 | 1,032,010 | | | 877,209 |
| Total State Guarantees | \$ 19,080,977 | \$ 17,685,171 | \$ 385,000,000 | \$ 367,314,829 | \$ 15,027,162 |

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

| Section V | | | Principal Outstanding | | Appropriation Fiscal Year 2015 | Cash and Investment Balance |
|-----------|-----------------------------------|------------|-----------------------|-------------------|--------------------------------|-----------------------------|
| | | | June 30, 2014 | February 28, 2015 | | |
| 132 | Fire Truck Revolving Loan Program | Fund # 572 | \$ 17,052,813 | \$ 15,548,078 | \$ 2,383,342 | \$ 14,361,358 |
| 8 | Ambulance Revolving Loan Program | Fund # 334 | \$ 415,920 | \$ 321,600 | \$ 7,006,800 | \$ 3,870,624 |

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

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

| Section VI | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| | June 30, 2014 | February 28, 2015 | | |
| Environmental [Large Business] | | | | |
| Issued through IFA | \$ 26,315,000 | \$ 25,595,000 | | |
| Issued through IDFA | 177,380,000 | 153,645,000 | | |
| Total Environmental [Large Business] | \$ 203,695,000 | \$ 179,240,000 | \$ 2,425,000,000 | \$ 2,245,760,000 |
| Environmental [Small Business] | \$ - | \$ - | \$ 75,000,000 | \$ 75,000,000 |
| Total Environment Bonds Issued under Act | \$ 203,695,000 | \$ 179,240,000 | \$ 2,500,000,000 | \$ 2,320,760,000 |

Illinois Finance Authority Funds at Risk

| Section VII | Original Amount | Principal Outstanding | |
|---|-------------------|-----------------------|-------------------|
| | | June 30, 2014 | February 28, 2015 |
| Participation Loans | | | |
| Business & Industry | 23,020,158 | 1,616,353 | 1,129,759 |
| Agriculture | 6,079,859 | 114,269 | 114,269 |
| Participation Loans exluding Defaults & Allowances | 29,100,017 | 1,730,622 | 1,244,028 |
| Plus: Legacy IDFA Loans in Default | | 858,458 | 858,458 |
| Less: Allowance for Doubtful Accounts | | 1,002,182 | 998,440 |
| Total Participation Loans | | 1,586,898 | 1,104,045 |
| Local Government Direct Loans | 1,289,750 | 157,689 | 136,000 |
| Rural Bond Bank Local Government Note Receivable | | | 20,462,037 |
| FmHA Loans | 963,250 | 227,046 | 212,870 |
| Renewable Energy [RED Fund] | 2,000,000 | 1,396,598 | 1,333,893 |
| Total Loans Outstanding | 34,353,017 | 3,368,231 | 23,248,846 |

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

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

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

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

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

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

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

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

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

^[i] Includes EPA Clean Water Revolving Fund



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, JANUARY 13, 2015
10:34 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 the Conference Center, 120 North LaSalle Street, Suite 1120, Chicago, Illinois 60601, on the second Tuesday of January in the year 2015, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

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

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

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

January 13, 2015

0 YEAS

0 NAYS

11 PRESENT

P Bronner

P Leonard
(VIA AUDIO CONFERENCE)

P Poole
(VIA AUDIO CONFERENCE)

P Fuentes

P Lonstein

E Tessler

E Goetz

P O’Brien

P Zeller

E Gold

P Parish

P Mr. Chairman

P Knox

P Pedersen

E – Denotes Excused Absence

II. Chairman's Remarks

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

Chairman Brandt, Chairman from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on January 13, 2015, 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 December 9, 2014 were taken up for consideration.

Member Zeller moved for the adoption of the Minutes.

Member Pedersen seconded the motion.

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

The motion prevailed and the Minutes were adopted.

IV. Acceptance of the Financial Statements

Financial Statements for the Month Ended December 31, 2014 were taken up for consideration.

Member Bronner moved for the acceptance of the Financial Statements.

Member Zeller seconded the motion.

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

The motion prevailed and the Financial Statements were accepted.

V. Approval of Project Reports and Resolutions

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

Mr. Frampton presented the following project:

Agriculture Projects

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

Jacob A. Birch is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Thirty-Six Thousand Three Hundred and Sixty Dollars** (\$236,360). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 38 acres of farmland located in Broughton Township in Livingston County.

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

Member Pedersen seconded the motion.

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

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

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

Mr. Frampton presented the following project and resolutions:

Healthcare Projects

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

Silver Cross Hospital and Medical Centers and Silver Cross Health System are requesting approval of a **Final** Bond Resolution in an amount not to exceed **Twenty-Eight Million Four Hundred Sixty Thousand Dollars** (\$28,460,000). This financing is being presented for one-time consideration.

Silver Cross Hospital and Medical Centers (the “**Hospital**”) and Silver Cross Health System (the “**Parent**” and, together with the Hospital, the “**Borrowers**” and, collectively, the “**Members of the Obligated Group**”), each an Illinois not for profit corporation, request that the Authority issues not to exceed \$28,460,000 in aggregate principal amount of tax-exempt and/or taxable revenue bonds consisting of (i) one or more series of Revenue Refunding Bonds, Series 2015A (Silver Cross Hospital and Medical Centers) (the “**Series 2015A Bonds**”) and/or (ii) one or more series of Taxable Revenue Refunding Bonds, Series 2015B (Silver Cross Hospital and Medical Centers) (the “**Series 2015B Bonds**” and, together with the Series 2015A Bonds, the “**Bonds**”) of the Authority, the proceeds of which are to be loaned to either or both of the Borrowers to provide the funds necessary to do any or all of the following: (i) refund all or a portion of the outstanding principal amount of the (a) Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1999 (Silver Cross Hospital and Medical Centers) (the “**Series 1999 Bonds**”), currently outstanding in the principal amount of \$3,805,000, (b) Illinois Finance Authority Revenue Bonds, Series 2005A (Silver Cross Hospital and Medical Centers) (the “**Series 2005A Bonds**”), currently outstanding in the principal amount of \$11,930,000, and (c) Illinois Finance Authority Fixed Rate Revenue Bonds, Series 2005C (Silver Cross Hospital and Medical Centers) (the “**Series 2005C Bonds**” and, collectively with the Series 2005A Bonds and the Series 1999 Bonds, the “**Prior Bonds**”), currently outstanding in the principal amount of \$12,725,000, and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, all as permitted under the Act (collectively, the “**Financing Purposes**”).

Resolutions

Item 3: Item 3 is a Request for Extension of IFA Participation Loan to Brett L. Zehr and Christine A. Zehr (Zehr Foods, Inc. Project) for a Second Five-Year Term to February 1, 2020.

Item 4: Item 4 is a Resolution Approving the Execution of a Supplemental Loan Agreement Relating to its Variable Rate Revenue Bond, Series 2012 (Carmel Catholic High School).

Item 5: Item 5 is a Resolution of Intent Requesting an Initial Allocation of Private Activity Volume Cap in the Amount of \$100,000,000.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following project and resolutions: Items 2, 3, 4 and 5.

Leave was granted.

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

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on February 10, 2015.

At the time of 10:41 a.m., Member O'Brien moved that the Board do now adjourn until February 10, 2015, at 10:30 a.m.

Member Pedersen seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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



COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
WEDNESDAY, FEBRUARY 18, 2015
10:03 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 the Michael A. Bilandic Building, 160 North LaSalle Street, Hearing Room N - 808, Chicago, Illinois 60601, on the third Wednesday of February in the year 2015, 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 declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Leonard was recorded as present via audio conference at the time of 10:06 a.m.

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

February 18, 2015

0 YEAS

0 NAYS

11 PRESENT

P Bronner

P Leonard (ADDED)
(VIA AUDIO CONFERENCE)

P Poole
(VIA AUDIO CONFERENCE)

P Fuentes

E Lonstein

E Tessler

P Goetz

P O'Brien

P Zeller

E Gold

P Parish

P Mr. Chairman
(VIA AUDIO CONFERENCE)

P Knox

P Pedersen

E – Denotes Excused Absence

II. Chairman's Remarks

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

Chairman Brandt, via audio conference, kindly requested that the Committee view the need to have the Authority's good projects receive approval in a timely manner as a commitment to their public service and loyalty to the State of Illinois.

III. Message from the Executive Director

Executive Director Meister thanked Members of the Committee for their attendance.

Executive Director Meister informed the Committee that earlier in the month the Authority successfully closed on the refunding for Rush University Medical Center Obligated Group. The transaction refunded RUMC's outstanding Series 2006B Bonds and outstanding Series 2009A-D Bonds.

Moreover, Executive Director Meister stated that on February 10, 2015 and by 10:00 a.m., Acacia Financial Group, Inc. ("Acacia") received four conforming bids in relation to the Series 2015 Competitive Bid for Direct Purchase on behalf of Pace, the Suburban Bus Division of the Regional Transportation Authority ("Pace"). It was Acacia's recommendation that Pace award FirstMerit Bank's Serial Bonds Bid, which contains the lowest all-in True Interest Cost ("TIC") to purchase the Series 2015 Bonds. Bond counsel is finalizing documentation for the transaction and it is expected that it will close by the end of the month.

Finally, Executive Director Meister directed the Committee's attention to two recent articles concerning federal tax reform. The first news clipping discussed U.S. House of Representative Ways and Means Committee Chairman Paul Ryan's call for tax reform to be done by the summer of 2015. The other article discussed U.S. Securities and Exchange Commission ("SEC") member Luis Aguilar's call to repeal the so-called "Tower Amendment" which prevents the SEC from requiring bond issuers to file details of their offerings before selling them to investors.

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 January 13, 2015.

Member Bronner moved for the adoption of the Minutes of the regular meeting of the Committee held on January 13, 2015.

Member Pederson seconded the motion.

The motion prevailed and the Minutes were adopted.

V. Presentation and Consideration of the Financial Statements

Ms. Gildart presented the following monthly and annual summary as of January 31, 2015:

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. **Annual Operating Revenues** totaled \$2.2 million, while annual Net Non-Operating Revenues totaled \$132 thousand. Total annual combined revenues of \$2.3 million are \$287 thousand or 11.1% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees year to date of \$1.2 million, are \$290 thousand or 20% below budget. Included in Interest Income on Loans, the year to date revenue accrued for interest due from the former IRBB local governments totaled \$682 thousand. Annual fees of \$218 thousand are 10.9% or \$21 thousand higher than budget. Annual net investment income of \$128 thousand is double the fiscal year 2014's ending total as of January.
- b. **In January**, the Authority generated \$68 thousand in closing fees, which is \$97 thousand lower than the average monthly total of \$166 thousand. Closing fees were received from: *Silver Cross*, \$66 thousand and *Agriculture-related* closings of \$3 thousand. January's net investment gain of \$64 thousand is well above the average monthly net gain of \$18 thousand and an improvement from December, where, per IFA's investment manager, the referenced benchmark, Bank of America Merrill Lynch, 1-3 year Government Index also had lower returns. No fund transfers were recorded in December for the General Fund.
- c. **Annual Operating Expenses** of \$2 million are \$555 thousand or 21.7% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Year to date, employee expenses total \$1 million and are 17.2% below budget and professional services total \$598 thousand and are 31.8% below budget. Annual occupancy costs total \$130 thousand and are \$40 thousand or 23.7% under budget. Other contributors to lower year to date operating costs include the delay in the implementation of the compliance driven debt management software application, reduced staff costs, lower space rental costs for the Chicago Office and the reduction in investment management fees for IEPA.
- d. **In January**, total professional services of \$72 thousand included payments for compliance audit assistance, investment management, payroll and legislative services fees and information technology support and maintenance. Salaries dropped by \$20 thousand since November, with the departure of three full time employees and two Finance/Legal Fellows, while other employee-related expenses increased due to payroll tax payments.
- e. **January** activities resulted in monthly Net Income of \$7 thousand. **On a year to date** basis, IFA currently shows Annual Net Income of \$584 thousand. Major contributors to the positive bottom line include 9 closings in the month of December, the transfer of the remaining IRBB reserve funds, lower overall expenses and greater than expected investment returns. Budgeted net income at this point in the fiscal year is just \$21 thousand.

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

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

- a. The Authority, as of January 2015, is a \$128 million dollar agency which also accounts for \$400 million in total activity (including component units) and maintains compliance for \$24 billion in outstanding debt.

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

- a. In the General Fund, IFA continues to maintain a strong balance sheet with total net position of \$52.5 million. The total assets in the General Fund are \$53 million (consisting of cash, investments, and receivables). Unrestricted cash and investments total \$24.7 million, notes receivables for the former IRBB local governments total \$22.7 million, other loans receivables are at \$3.3 million and restricted cash in the DACA Loan Fund totals \$1.3 million. Liabilities, current and non-current, total just \$629 thousand.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

- a. The Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of \$242 thousand. Net investment income from both funds equals \$56 thousand. Monies have been invested since July 2014. On January 12, 2015, the Authority received additional receipts and loan funds of \$8 million through a transfer from the Illinois State Treasurer pursuant to Public Act 97-901 and the intergovernmental agreement required by that Act. In light of the State's Fiscal Crisis and the appropriated origin of these funds, it was subsequently requested that these funds be reserved per request of the State Fire Marshal's Office (OSFM) and the Governor's Office of Management & Budget (GOMB). The Authority is working with OSFM and GOMB towards a resolution of this issue. Current net position of \$29.9 million for Fire and \$4.2 million for Ambulance are now shown on the Authority's books due to recent statutory changes.
- b. Other Nonmajor Funds booked revenues of \$165 thousand, of which, \$141 thousand is derived from investment activity. Year to date, the nonmajor funds show a net loss of \$138 thousand, driven by the transfer of funds out of the IRBB Reserve Fund to the General Operating Fund. All other activities result in net income of \$156 thousand as of January. Total Net Position in the Nonmajor Funds is \$39.4 million.
- c. The Agency/Fiduciary Funds for IFA include both the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund, with combined current assets of \$60 thousand.

5. FY14 FINANCIAL STATEMENT AUDIT and GFOA/GASB UPDATE

- a. The FY14 financial audit is completed and the report was issued by the Office of the Auditor General on January 15, 2015.
- b. The Authority's first Comprehensive Annual Financial Report (CAFR) is available on our website and has been submitted to the Government Finance Officers Association (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting.

VI. Monthly Procurement Report

Ms. Gildart presented the Monthly Procurement Report, which included contracts pending execution, contract renewals, new contracts, upcoming solicitations, and a list of vendors procured by the State of Illinois without action needed by Members of the Authority.

Specifically, Ms. Gildart noted that the new contract for the Accounting and Auditing Pool will be presented to the Board of Directors today for approval, with an initial term of 3 years cumulatively worth a not to exceed value of \$495,000.

Moreover, the active solicitation for a Debt Management Software Application is currently under review by management.

VII. Committee Reports

Audit Committee

Member Bronner reported that the Audit Committee met earlier in the morning to consider and accept the Office of the Illinois Auditor General Fiscal Year 2014 Financial Audit Report for the Illinois Finance Authority. The Audit Committee accepted the audit report, which contained two audit findings that the Finance Department is correcting.

Member Bronner further reported that the Audit Committee considered and accepted the Authority's first Comprehensive Financial Audit Report, or CAFR, which was reviewed and accepted by the Audit Committee.

The Audit Committee also reviewed and accepted two internal audit reports relating to the Authority's Information Technology. Ms. Gildart presented corrective action that will be taken concerning findings in those two audits.

Finally, Member Bronner informed the Committee of the Authority's upcoming Legislative Audit Commission Hearing, currently scheduled for March 24, 2015.

Healthcare and Education Committee

Member Knox reported that the Healthcare and Education Committee reviewed and recommended approval of the following project reports and resolution: Items 2, 3, 4 and 7.

Ms. Lenane informed the Committee that the requested approval of a Final Bond Resolution for Lifespace Communities, Inc. will be for an amount not to exceed Fifty Million Dollars (\$50,000,000), which is Fifteen Million Dollars (\$15,000,000) less than the amount presented to the Healthcare and Education Committee and provided for in the Open Meetings Notices and Agenda of the Committee of the Whole and Board of Directors.

Executive Director Meister reminded the Committee that substantially final copies of all resolutions for the items to be discussed at the Committee of the Whole meeting pursuant to Agenda Item VIII. Project Reports and Resolutions and considered at the Board of Directors meeting pursuant to Agenda Item V. Approval of Project Reports and Resolutions have been made available to all Members prior hereto in the manila folders distributed by staff.

Agriculture Committee

Member Zeller reported that the Agriculture Committee meeting scheduled for February 3, 2015 was cancelled.

However, Member Zeller noted that he has personally reviewed and recommends for approval the following project report: Item 1.

VIII. Project Reports and Resolutions

Mr. Frampton presented the following project:

Agriculture Projects

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

Michael Tyler Kessler is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Five Hundred Four Thousand Nine Hundred and Fifty Dollars** (\$504,950). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland.

Member O'Brien inquired as to why a more detailed credit analysis is not provided for Beginning Farmer Revenue Bond financings. Mr. Frampton informed Mr. O'Brien and the Committee that financial statements are not provided for Beginning Farmer Revenue Bond financings, which reflects the marginal size of the transactions and the lack of risk to the Authority as a conduit on the transactions.

Executive Director Meister confirmed, however, that a more robust financial presentation is provided in connection with Agri-Guarantees considered by the Committee that put State of Illinois funds at risk.

Ms. Lenane presented the following projects:

Healthcare Projects

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

KishHealth System is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Fourteen Million Dollars** (\$14,000,000).

KishHealth System, an Illinois not-for-profit corporation (the "**Borrower**") has requested that the Authority issue not to exceed \$14,000,000 in aggregate principal amount of its (i) Illinois Finance Authority Revenue Bond in one or more series and loan the proceeds thereof to the Borrower in order to assist the Borrower in providing the funds necessary to (i) finance, refinance and reimburse the Borrower for all or a portion of the costs of the acquisition of a 70,324 square foot medical clinic building located at 1850 Gateway Drive in Sycamore, Illinois (the "**New Clinic Property**"), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds if deemed necessary or advisable by the Borrower, all as permitted by the Act (collectively, the "**Financing Purposes**").

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

Lifespace Communities, Inc. is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Fifty Million Dollars** (\$50,000,000). This financing is being presented for one-time consideration.

Lifespace Communities, Inc., an Iowa nonprofit corporation (the “**Corporation**”), has requested that the Authority issue not to exceed \$50,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds (Lifespace Communities, Inc.) Series 2015 (collectively, the “**Series 2015 Bonds**”) and loan the proceeds thereof to the Corporation in order to assist the Corporation in providing a portion of the funds necessary to do any or all of the following: (i) to finance improvements to the Corporation’s continuing care retirement facilities located in Lombard, Illinois (the “**Project**”), (ii) to refund one or more series of revenue bonds (the “**Refunded Bonds**”) issued on behalf of the Corporation to finance or refinance improvements to continuing care retirement facilities of the Corporation located in the States of Illinois, Kansas and Pennsylvania, (iii) to establish a debt service reserve fund for the benefit of the Series 2015 Bonds, if deemed necessary or desirable, and (iv) to pay certain costs associated with the issuance of the Series 2015 Bonds and the refunding of the Refunded Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

The requested approval of a **Final** Bond Resolution in an amount not to exceed **Fifty Million Dollars** (\$50,000,000) is lower than the **Sixty-Five Million Dollars** (\$65,000,000) provided for in the Open Meetings Notice and Agenda.

Ms. Parish requested clarification regarding the change in Sources and Uses now that the proposed par amount has been diminished. Ms. Lenane informed Ms. Parish and the Committee that the Refunding Escrow will be diminished, but the cost for the Beacon Hill Project remains the same.

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Silver Cross Hospital is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Three Hundred Fifteen Million Dollars** (\$315,000,000).

Silver Cross Hospital and Medical Centers (the “**Hospital**”) on behalf of itself and **Silver Cross Health System** (the “**System**” and, together with the Hospital, the “**Borrowers**”), each an Illinois not-for-profit corporation, have requested that the Authority issue one or more series of Revenue Refunding Bonds for the benefit of one or both of the Borrowers, in an amount now estimated not-to-exceed Three Hundred Fifteen Million Dollars (\$315,000,000) (the “**Bonds**”) for the purpose of providing one or both of the Borrowers with all or a portion of the funds for the purpose of assisting in (i) refunding all or a portion of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Silver Cross Hospital and Medical Centers) (the “**Prior Bonds**”), the proceeds of which were loaned to the Hospital to pay or reimburse the Hospital for the payment of the costs of acquiring, constructing and equipping certain health care facilities of the Hospital, including, but not limited to, an approximately 553,867 square foot replacement acute care hospital and related facilities, (ii) funding a debt service reserve fund, if deemed necessary or advisable by the Borrowers or the Authority, and (iii) paying certain 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**”).

Resolutions

Vice Chairman Goetz and Members of the Committee all agreed that Items 5, 6 and 7 were thoroughly reviewed or read in advance.

IX. Other Business

None.

X. Public Comment

None.

XI. Adjournment

At the time of 10:31 a.m., Member Bronner moved that the Committee do now adjourn until March 10, 2015, at 9:30 a.m.

Member Pedersen 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
WEDNESDAY, FEBRUARY 18, 2015
10:31 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 the Michael A. Bilandic Building, 160 North LaSalle Street, Hearing Room N – 808, Chicago, Illinois 60601, on the third Wednesday of February in the year 2015, 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: 11 Present.

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

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

February 18, 2015

0 YEAS

0 NAYS

11 PRESENT

P Bronner

P Leonard
(VIA AUDIO CONFERENCE)

P Poole
(VIA AUDIO CONFERENCE)

P Fuentes

E Lonstein

E Tessler

P Goetz

P O’Brien

P Zeller

E Gold

P Parish

P Mr. Chairman
(VIA AUDIO CONFERENCE)

P Knox

P Pedersen

E – Denotes Excused Absence

II. 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 February 18, 2015, reported the same back and that all items were thoroughly reviewed.

Vice Chairman Goetz stated that because this is a re-scheduled regular meeting of the Board of Directors, Agenda Item III Adoption of the Minutes and Agenda Item IV Acceptance of the Financial Statements will be deferred until the next regularly scheduled meeting of the Board on March 10, 2015, at 10:30 a.m.

In the interim, staff will post draft versions of Minutes of the regular meeting of the Board held on January 13, 2015 and Financial Statements for the Month Ended January 31, 2015.

Member O'Brien moved for deferral of the Minutes and the Financial Statements.

Member Pedersen seconded the motion.

The motion prevailed and both the adoption of the Minutes and the acceptance of the Financial Statements were deferred.

III. Adoption of the Minutes

Deferred.

IV. Acceptance of the Financial Statements

Deferred.

V. Approval of Project Reports and Resolutions

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

Mr. Frampton presented the following projects and resolutions:

Agriculture Projects

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

Michael Tyler Kessler is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Five Hundred Four Thousand Nine Hundred and Fifty Dollars** (\$504,950). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland.

Healthcare Projects

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

KishHealth System is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Fourteen Million Dollars** (\$14,000,000).

KishHealth System, an Illinois not-for-profit corporation (the “**Borrower**”) has requested that the Authority issue not to exceed \$14,000,000 in aggregate principal amount of its (i) Illinois Finance Authority Revenue Bond in one or more series and loan the proceeds thereof to the Borrower in order to assist the Borrower in providing the funds necessary to (i) finance, refinance and reimburse the Borrower for all or a portion of the costs of the acquisition of a 70,324 square foot medical clinic building located at 1850 Gateway Drive in Sycamore, Illinois (the “**New Clinic Property**”), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds if deemed necessary or advisable by the Borrower, all as permitted by the Act (collectively, the “**Financing Purposes**”).

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

Lifespace Communities, Inc. is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Fifty Million Dollars** (\$50,000,000). This financing is being presented for one-time consideration.

Lifespace Communities, Inc., an Iowa nonprofit corporation (the “**Corporation**”), has requested that the Authority issue not to exceed \$50,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds (Lifespace Communities, Inc.) Series 2015 (collectively, the “**Series 2015 Bonds**”) and loan the proceeds thereof to the Corporation in order to assist the Corporation in providing a portion of the funds necessary to do any or all of the following: (i) to finance improvements to the Corporation’s continuing care retirement facilities located in Lombard, Illinois (the “**Project**”), (ii) to refund one or more series of revenue bonds (the “**Refunded Bonds**”) issued on behalf of the Corporation to finance or refinance improvements to continuing care retirement facilities of the Corporation located in the States of Illinois, Kansas and Pennsylvania, (iii) to establish a debt service reserve fund for the benefit of the Series 2015 Bonds, if deemed necessary or desirable, and (iv) to pay certain costs associated with the issuance of the Series 2015 Bonds and the refunding of the Refunded Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

The requested approval of a **Final** Bond Resolution in an amount not to exceed **Fifty Million Dollars** (\$50,000,000) is lower than the **Sixty-Five Million Dollars** (\$65,000,000) provided for in the Open Meetings Notice and Agenda.

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Silver Cross Hospital is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Three Hundred Fifteen Million Dollars** (\$315,000,000).

Silver Cross Hospital and Medical Centers (the “**Hospital**”) on behalf of itself and **Silver Cross Health System** (the “**System**” and, together with the Hospital, the “**Borrowers**”), each an Illinois not-for-profit corporation, have requested that the Authority issue one or more series of Revenue Refunding Bonds for the benefit of one or both of the Borrowers, in an amount now estimated not-to-exceed Three Hundred Fifteen Million Dollars (\$315,000,000) (the “**Bonds**”) for the purpose of providing one or both of the Borrowers with all or a portion of the funds for the purpose of assisting in (i) refunding all or a portion of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Silver Cross

Hospital and Medical Centers) (the “**Prior Bonds**”), the proceeds of which were loaned to the Hospital to pay or reimburse the Hospital for the payment of the costs of acquiring, constructing and equipping certain health care facilities of the Hospital, including, but not limited to, an approximately 553,867 square foot replacement acute care hospital and related facilities, (ii) funding a debt service reserve fund, if deemed necessary or advisable by the Borrowers or the Authority, and (iii) paying certain 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**”).

Resolutions

Item 5: Item 5 is a Resolution to Award the Accounting and Auditing Pool Contract.

For Auditing and Attestation Services, the awardees are the following:

1. Washington, Pittman and McKeever, LLC;
2. Prado and Renteria CPAs Professional Corp.;
3. Crowe Horwath LLP;
4. Franklin and Vaughn, LLC; and
5. Ringold Financial Management Services, Inc.

For Accounting Services, the awardees are the following:

1. Washington, Pittman and McKeever, LLC;
2. Prado and Renteria CPAs Professional Corp.;
3. Crowe Horwath LLP;
4. Franklin and Vaughn, LLC;
5. Ringold Financial Management Services, Inc.; and
6. Globetrotters International, Inc.

Item 6: Item 6 is a Resolution to Accept the Fiscal Year 2014 Financial Audit.

Item 7: Item 7 is a 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**”) in an Amount Not to Exceed \$2,900,000 and Ratifying Certain Matters Related Thereto.

Member O’Brien moved for the adoption of the following projects and resolutions: Items 1, 2, 3, 4, 5, 6 and 7.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Not Voting (Poole); 0 Answering Present.

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

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Vice Chairman Goetz reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on March 10, 2015.

At the time of 10:40 a.m., Member O'Brien moved that the Board do now adjourn until March 10, 2015, at 10:30 a.m.

Member Pedersen seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

FINANCIAL ANALYSIS

March 10, 2015

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS
MONTHLY AND ANNUAL SUMMARY AS OF FEBRUARY 28, 2015****1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. **Annual Operating Revenues** totaled \$2.6 million, while annual Net Non-Operating Revenues totaled \$119 thousand. Total annual combined revenues of \$2.7 million are \$256 thousand or 8.7% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees year to date of \$1.5 million, are \$167 thousand or 10.1% below budget. Included in Interest Income on Loans, the year to date revenue accrued for interest due from the former IRBB local governments totaled \$718 thousand. Annual fees of \$248 thousand are 10% or \$23 thousand higher than budget. Annual net investment income of \$115 thousand is 83% higher than fiscal year 2014's ending total as of February.
- b. **In February**, the Authority generated \$330 thousand in closing fees, which is the second highest monthly total for FY15 and double the average monthly total of \$166 thousand. Closing fees were received from: *Rush University*, \$211 thousand, *PACE*, \$60 thousand, *Kish Health Systems*, \$52 thousand, and *Agriculture-related* closings of just under \$8 thousand. February's net investment loss of \$13 thousand is attributable primarily to, per IFA's investment manager, securities maturing during the month of February.
- c. **Annual Operating Expenses** of \$2.3 million are \$601 thousand or 20.6% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Year to date, employee expenses total \$1.2 million and are 18.2% below budget and professional services total \$718 thousand and are 28.5% below budget. Annual occupancy costs total \$141 thousand and are \$53 thousand or 27.3% under budget. Other contributors to lower year to date operating costs include the delay in the implementation of the compliance driven debt management software application, reduced staff costs, lower space rental costs for the Chicago Office and the reduction in investment management fees for IEPA.
- d. **In February**, total professional services of \$119 thousand included payments for legal services (\$57K) compliance and accounting assistance (\$15K), financial advisory fees (\$13K), legislative services (\$8K), IT software renewals (\$8K) and payroll services (\$7K). Salaries continue to decline, with the departure of three full time employees and two Finance/Legal Fellows in recent months. General and administrative costs included charges for printing of the CAFR and insurance coverage.
- e. **February** activities resulted in monthly Net Income of \$80 thousand. **On a year to date** basis, IFA currently shows Annual Net Income of \$663 thousand. Major contributors to the positive bottom line include the level of spending at nearly 21% below budget and the transfer of the remaining IRBB reserve funds earlier this fiscal year and greater than expected investment returns. Budgeted net income at this point in the fiscal year is just \$24 thousand.

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS
MONTHLY AND ANNUAL SUMMARY AS OF FEBRUARY 28, 2015 (CONT'D)**

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

- a. The Authority, as of February 2015, is a \$127 million dollar agency which also accounts for \$315 million in total activity (including the debt of other State of Illinois agencies) and maintains compliance for nearly \$24 billion in outstanding debt.

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

- a. In the General Fund, IFA continues to maintain a strong balance sheet with total net position of \$52.6 million. The total assets in the General Fund are \$53 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$29 million, notes receivables for the former IRBB local governments total \$20.5 million, other loans receivables are at \$2 million and restricted cash in the DACA Loan Fund totals \$1.3 million. Liabilities, current and non-current, total just \$564 thousand.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

- a. The "Other State of Illinois Debt Fund" is comprised of activity for the Illinois Environmental Protection Agency (IEPA), the Illinois Medical District Commission (IMDC) and Northern Illinois University Foundation (NIUF). The majority of the activity in this fund derives from the Clean Water Initiative for IEPA.
- b. The Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of \$278 thousand. Net investment income from both funds equals \$44 thousand. Monies have been invested since July 2014. The Authority continues to working with OSFM and GOMB towards a resolution for the recent transfer of \$8 million in Fire Truck funds to the Authority's locally held funds per Public Act 97-901. Net position of \$29.9 million for Fire Truck, and \$4.2 million for Ambulance are now shown on the Authority's books due to recent statutory changes.
- b. Other Nonmajor Funds booked revenues of \$163 thousand, of which, \$137 thousand is derived from investment activity. Year to date, the nonmajor funds show a net loss of \$141 thousand, driven by the transfer of funds out of the IRBB Reserve Fund to the General Operating Fund. All other activities result in net income of \$153 thousand as of February. Total Net Position in the Nonmajor Funds is \$39.5 million.
- c. The Agency/Fiduciary Funds for IFA include both the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund, with combined current assets of \$60 thousand.

5. FY14 AND FY15 COMPLIANCE AUDITS and LEGISLATIVE AUDIT COMMISSION

- a. The entrance conference for the FY14 and FY15 compliance audits will take place on March 16, 2015.
- b. The Authority's Legislative Audit Commission hearing is scheduled for March 24, 2015.
- c. Fieldwork for the FY14 and FY15 compliance audits will begin March 25, 2015.

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



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2015 AS OF FEBRUARY 28, 2015
(PRELIMINARY AND UNAUDITED)

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | 2015 BUDGET VARIANCE (\$) | 2015 BUDGET VARIANCE (%) |
|--|--------------------|-------------------|-------------------|--------------------|---------------------|--------------------|--------------------|--------------------|------------------------|------------------------|------------------------------|-----------------------------|
| Operating Revenues: | | | | | | | | | | | | |
| Closing Fees | 66,825 | 295,753 | 138,542 | 78,500 | 2,150 | 510,496 | 68,431 | 330,444 | 1,491,141 | 1,658,000 | (166,859) | -10.1% |
| Annual Fees | 10,367 | 42,720 | 31,533 | 34,580 | 34,230 | 36,372 | 28,534 | 29,221 | 247,557 | 225,000 | 22,557 | 10.0% |
| Administrative Service Fees | - | 10,000 | 15,000 | - | 20,000 | - | - | 10,000 | 55,000 | 76,667 | (21,667) | -28.3% |
| Application Fees | 1,100 | 14,328 | 4,300 | 2,700 | 2,500 | 1,100 | 1,100 | 5,250 | 32,378 | 27,337 | 5,041 | 18.4% |
| Miscellaneous Fees | 62 | - | - | - | - | 14 | 34 | - | 110 | 40,000 | (39,890) | -99.7% |
| Interest Income-Loans | 120,406 | 67,709 | 102,031 | 102,123 | 106,114 | 103,356 | 102,006 | 37,228 | 740,973 | 773,221 | (32,248) | -4.2% |
| Other Revenue | 272 | 291 | - | 269 | 287 | 2,942 | 249 | - | 4,310 | 3,200 | 1,110 | 34.7% |
| Total Operating Revenue: | \$ 199,032 | \$ 430,801 | \$ 291,406 | \$ 218,172 | \$ 165,281 | \$ 654,280 | \$ 200,354 | \$ 412,143 | \$ 2,571,469 | \$ 2,803,425 | \$ (231,956) | -8.3% |
| Operating Expenses: | | | | | | | | | | | | |
| Employee Related Expense | 158,165 | 155,946 | 152,957 | 148,571 | 148,404 | 142,070 | 142,279 | 134,876 | 1,183,268 | 1,447,383 | (264,115) | -18.2% |
| Professional Services | 2,882 | 179,754 | 97,492 | 49,885 | 84,877 | 111,758 | 71,839 | 119,195 | 717,682 | 1,003,320 | (285,638) | -28.5% |
| Occupancy Costs | 26,485 | 26,590 | 9,247 | 40,454 | 8,583 | 8,124 | 10,361 | 11,540 | 141,384 | 194,432 | (53,048) | -27.3% |
| General & Administrative | 28,707 | 28,568 | 26,718 | 28,656 | 26,890 | 28,029 | 28,210 | 48,906 | 244,684 | 222,867 | 21,817 | 9.8% |
| Depreciation and Amortization | 3,847 | 3,847 | 3,847 | 3,876 | 3,876 | 4,794 | 4,794 | 4,794 | 33,675 | 53,333 | (19,658) | -36.9% |
| Total Operating Expense | \$ 220,086 | \$ 394,705 | \$ 290,261 | \$ 271,442 | \$ 272,630 | \$ 294,775 | \$ 257,483 | \$ 319,311 | \$ 2,320,693 | \$ 2,921,335 | \$ (600,642) | -20.6% |
| Operating Income(Loss) | \$ (21,054) | \$ 36,096 | \$ 1,145 | \$ (53,270) | \$ (107,349) | \$ 359,505 | \$ (57,129) | \$ 92,832 | \$ 250,776 | \$ (117,910) | \$ 368,686 | 312.7% |
| Nonoperating Revenues (Expenses): | | | | | | | | | | | | |
| Bad Debt Recoveries and Adjustments | - | - | - | - | - | 3,741 | - | - | 3,741 | 10,000 | (6,259) | -62.6% |
| Miscellaneous Non-Operating Revenues/(Expenses) | - | - | - | - | - | - | - | - | - | (1,333) | 1,333 | -100.0% |
| Interest and Investment Income | 26,997 | 34,457 | 19,837 | 29,932 | 15,661 | 35,176 | 20,838 | 27,801 | 210,699 | 333,733 | (123,034) | -36.9% |
| Realized Gain (Loss) on Sale of Investment | - | (445) | (19) | (31) | (5) | 190 | (364) | (3,452) | (4,126) | (33,333) | 29,207 | -87.6% |
| Net Appreciation (Depr) in Fair Value of Investments | (38,575) | 3,960 | (17,901) | 5,423 | 3,764 | (54,607) | 43,741 | (37,439) | (91,634) | (166,667) | 75,033 | -45.0% |
| Total Nonoperating Revenues (Expenses) | \$ (11,578) | \$ 37,972 | \$ 1,917 | \$ 35,324 | \$ 19,420 | \$ (15,500) | \$ 64,215 | \$ (13,090) | \$ 118,680 | \$ 142,400 | \$ (23,720) | -16.7% |
| Net Income (Loss) Before Transfers | \$ (32,632) | \$ 74,068 | \$ 3,062 | \$ (17,946) | \$ (87,929) | \$ 344,005 | \$ 7,086 | \$ 79,742 | \$ 369,456 | \$ 24,490 | \$ 344,966 | 1408.6% |
| Transfers: | | | | | | | | | | | | |
| Transfers in from other funds | - | 2,263,041 | 116,837 | 10 | 177,108 | - | - | - | 2,556,996 | - | - | 0.0% |
| Transfers out to other funds | - | (2,263,041) | - | - | - | - | - | - | (2,263,041) | - | - | 0.0% |
| Total Transfers In (Out) | \$ - | \$ - | \$ 116,837 | \$ 10 | \$ 177,108 | \$ - | \$ - | \$ - | \$ 293,955 | \$ - | \$ - | 0.0% |
| Net Income (Loss) | \$ (32,632) | \$ 74,068 | \$ 119,899 | \$ (17,936) | \$ 89,179 | \$ 344,005 | \$ 7,086 | \$ 79,742 | \$ 663,411 | \$ 24,490 | \$ 638,921 | 2608.9% |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND AGENCY FUND ACTIVITY
FOR FISCAL YEAR 2015 AS OF FEBRUARY 28, 2015
(PRELIMINARY AND UNAUDITED)

| | GENERAL FUND | FIRE TRUCK REV LOAN FUND | AMBULANCE REV LOAN FUND | NON-MAJOR FUNDS | SUBTOTAL IFA FUNDS | OTHER STATE OF ILLINOIS DEBT FUNDS | TOTAL ALL FUNDS | AGENCY FUNDS |
|---|---------------------|--------------------------------|-------------------------------|---------------------|--------------------------|--|-----------------------|------------------|
| Operating Revenues: | | | | | | | | |
| Closing Fees | 1,491,141 | - | - | - | 1,491,141 | - | 1,491,141 | 25,000 |
| Annual Fees | 247,557 | - | - | - | 247,557 | - | 247,557 | - |
| Administrative Service Fees | 55,000 | - | - | - | 55,000 | - | 55,000 | - |
| Application Fees | 32,378 | - | - | - | 32,378 | - | 32,378 | - |
| Miscellaneous Fees | 110 | 277,941 | - | 31 | 278,082 | - | 278,082 | - |
| Interest Income-Loans | 740,973 | - | - | 26,085 | 767,058 | 2,148,850 | 2,915,908 | - |
| Other Revenue | 4,310 | - | - | - | 4,310 | - | 4,310 | - |
| Total Operating Revenue: | \$ 2,571,469 | \$ 277,941 | \$ - | \$ 26,116 | \$ 2,875,526 | \$ 2,148,850 | \$ 5,024,376 | \$ 25,000 |
| Operating Expenses: | | | | | | | | |
| Employee Related Expense | 1,183,268 | - | - | - | 1,183,268 | - | 1,183,268 | - |
| Professional Services | 717,682 | 3,676 | 1,850 | 8,651 | 731,859 | - | 731,859 | 336 |
| Occupancy Costs | 141,384 | - | - | - | 141,384 | - | 141,384 | - |
| General & Administrative | 244,684 | - | - | - | 244,684 | - | 244,684 | - |
| Interest Expense | - | - | - | 2,821 | 2,821 | 2,270,327 | 2,273,148 | - |
| Depreciation and Amortization | 33,675 | - | - | - | 33,675 | - | 33,675 | - |
| Total Operating Expense | \$ 2,320,693 | \$ 3,676 | \$ 1,850 | \$ 11,472 | \$ 2,337,691 | \$ 2,270,327 | \$ 4,608,018 | \$ 336 |
| Operating Income(Loss) | \$ 250,776 | \$ 274,265 | \$ (1,850) | \$ 14,644 | \$ 537,835 | \$ (121,477) | \$ 416,358 | \$ 24,664 |
| Nonoperating Revenues (Expenses): | | | | | | | | |
| Bad Debt Recoveries and Adjustments | 3,741 | - | - | 806 | 4,547 | - | 4,547 | - |
| Transfer of funds and program interest from the State of IL | - | 8,000,000 | - | - | 8,000,000 | - | 8,000,000 | - |
| Interest and Investment Income | 210,699 | 51,566 | 31,794 | 200,894 | 494,953 | 121,477 | 616,430 | - |
| Realized Gain (Loss) on Sale of Investment | (4,126) | (4,888) | (2,474) | (4,017) | (15,505) | - | (15,505) | - |
| Net Appreciation (Depr) in fair value of Investments | (91,634) | (19,075) | (12,769) | (59,652) | (183,130) | - | (183,130) | - |
| Total Nonoperating Revenues (Expenses) | \$ 118,680 | \$ 8,027,603 | \$ 16,551 | \$ 138,031 | \$ 8,300,865 | \$ 121,477 | \$ 8,422,342 | \$ - |
| Net Income (Loss) Before Transfers | \$ 369,456 | \$ 8,301,868 | \$ 14,701 | \$ 152,675 | \$ 8,838,700 | \$ - | \$ 8,838,700 | \$ 24,664 |
| Transfers: | | | | | | | | |
| Transfers in from other funds | 2,556,996 | - | - | - | 2,556,996 | - | 2,556,996 | - |
| Transfers out to other funds | (2,263,041) | - | - | (293,955) | (2,556,996) | - | (2,556,996) | - |
| Total Transfers In (Out) | \$ 293,955 | \$ - | \$ - | \$ (293,955) | \$ - | \$ - | \$ - | \$ - |
| Net Income (Loss) | \$ 663,411 | \$ 8,301,868 | \$ 14,701 | \$ (141,280) | \$ 8,838,700 | \$ - | \$ 8,838,700 | \$ 24,664 |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
February 28, 2015
(PRELIMINARY AND UNAUDITED)

| | GENERAL FUND | FIRE TRUCK REV LOAN FUND | AMBULANCE REV LOAN FUND | NON-MAJOR FUNDS | SUBTOTAL IFA FUNDS | OTHER STATE OF ILLINOIS DEBT FUNDS | TOTAL ALL FUNDS | AGENCY FUNDS |
|---|----------------------|--------------------------------|-------------------------------|----------------------|--------------------------|--|-----------------------|------------------|
| Assets and Deferred Outflows: | | | | | | | | |
| Current Assets: | | | | | | | | |
| Unrestricted: | | | | | | | | |
| Cash & cash equivalents | 5,698,047 | - | - | 1,031,385 | 6,729,432 | - | 6,729,432 | - |
| Investments | 6,529,924 | - | - | 4,327,755 | 10,857,679 | - | 10,857,679 | - |
| Accounts receivable, Net | 202,666 | - | - | - | 202,666 | - | 202,666 | - |
| Loans receivables, Net | 49,628 | - | - | - | 49,628 | - | 49,628 | - |
| Accrued interest receivable | 191,600 | - | - | 58,825 | 250,425 | - | 250,425 | - |
| Due from other funds | 91,168 | - | - | - | 91,168 | - | 91,168 | - |
| Due from other local government agencies | - | - | - | 3,000,000 | 3,000,000 | - | 3,000,000 | - |
| Prepaid Expenses | 101,462 | - | - | - | 101,462 | - | 101,462 | - |
| Total Current Unrestricted Assets | \$ 12,864,495 | \$ - | \$ - | \$ 8,417,965 | \$ 21,282,460 | \$ - | \$ 21,282,460 | \$ - |
| Restricted: | | | | | | | | |
| Cash & Cash Equivalents | 1,280,252 | 8,037,687 | 9,232 | 2,038,734 | 11,365,905 | 125,772,524 | 137,138,429 | 60,450 |
| Investments | - | 1,718,261 | 1,426,183 | 226,094 | 3,370,538 | - | 3,370,538 | - |
| Accrued interest receivable | - | 24,401 | 14,132 | 8,965 | 47,498 | 36,306 | 83,804 | - |
| Bonds and notes receivable from State component units | - | - | - | - | - | 713,629 | 713,629 | - |
| Loans receivables, Net | - | - | - | 37,208 | 37,208 | - | 37,208 | - |
| Total Current Restricted Assets | \$ 1,280,252 | \$ 9,780,349 | \$ 1,449,547 | \$ 2,311,001 | \$ 14,821,149 | \$ 126,522,459 | \$ 141,343,608 | \$ 60,450 |
| Total Current Assets | \$ 14,144,747 | \$ 9,780,349 | \$ 1,449,547 | \$ 10,728,966 | \$ 36,103,609 | \$ 126,522,459 | \$ 162,626,068 | \$ 60,450 |
| Non-current Assets: | | | | | | | | |
| Unrestricted: | | | | | | | | |
| Investments | 16,850,043 | - | - | 8,168,835 | 25,018,878 | - | 25,018,878 | - |
| Accounts receivable, Net | - | - | - | - | - | - | - | - |
| Loans receivables, Net | 1,580,857 | - | - | - | 1,580,857 | - | 1,580,857 | - |
| Bonds and notes receivable | 20,462,037 | - | - | - | 20,462,037 | - | 20,462,037 | - |
| Total Noncurrent Unrestricted Assets | \$ 38,892,937 | \$ - | \$ - | \$ 8,168,835 | \$ 47,061,772 | \$ - | \$ 47,061,772 | \$ - |
| Restricted: | | | | | | | | |
| Cash & Cash Equivalents | - | - | - | 600,000 | 600,000 | - | 600,000 | - |
| Investments | - | 4,556,774 | 2,430,136 | 524,238 | 7,511,148 | 3,350,866 | 10,862,014 | - |
| Funds in the custody of the Treasurer | - | 37,875 | 27 | 17,970,150 | 18,008,052 | - | 18,008,052 | - |
| Loans receivables, Net | - | 15,548,078 | 321,600 | 1,496,738 | 17,366,416 | - | 17,366,416 | - |
| Bonds and notes receivable from primary government | - | - | - | - | - | 22,672,413 | 22,672,413 | - |
| Bonds and notes receivable from State component units | - | - | - | - | - | 34,985,108 | 34,985,108 | - |
| Total Noncurrent Restricted Assets | \$ - | \$ 20,142,727 | \$ 2,751,763 | \$ 20,591,126 | \$ 43,485,616 | \$ 61,008,387 | \$ 104,494,003 | \$ - |
| Capital Assets | | | | | | | | |
| Capital Assets | 839,669 | - | - | - | 839,669 | - | 839,669 | - |
| Accumulated Depreciation | (750,446) | - | - | - | (750,446) | - | (750,446) | - |
| Total Capital Assets | \$ 89,223 | \$ - | \$ - | \$ - | \$ 89,223 | \$ - | \$ 89,223 | \$ - |
| Total Noncurrent Assets | \$ 38,982,160 | \$ 20,142,727 | \$ 2,751,763 | \$ 28,759,961 | \$ 90,636,611 | \$ 61,008,387 | \$ 151,644,998 | \$ - |
| Total Assets | \$ 53,126,907 | \$ 29,923,076 | \$ 4,201,310 | \$ 39,488,927 | \$ 126,740,220 | \$ 187,530,846 | \$ 314,271,066 | \$ 60,450 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | | | |
| Deferred loss on debt refunding | - | - | - | - | - | 912,754 | 912,754 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 912,754 | \$ 912,754 | \$ - |
| Total Assets & Deferred Inflows of Resources | \$ 53,126,907 | \$ 29,923,076 | \$ 4,201,310 | \$ 39,488,927 | \$ 126,740,220 | \$ 188,443,600 | \$ 315,183,820 | \$ 60,450 |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
February 28, 2015
(PRELIMINARY AND UNAUDITED)

| | GENERAL FUND | FIRE TRUCK REV LOAN FUND | AMBULANCE REV LOAN FUND | NON-MAJOR FUNDS | SUBTOTAL IFA FUNDS | OTHER STATE OF ILLINOIS DEBT FUNDS | TOTAL ALL FUNDS | AGENCY FUNDS |
|---|----------------------|--------------------------------|-------------------------------|----------------------|--------------------------|--|-----------------------|------------------|
| Liabilities: | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Payable from unrestricted current assets: | | | | | | | | |
| Accounts payable | 78,099 | - | - | 1,925 | 80,024 | - | 80,024 | - |
| Accrued liabilities | 100,799 | - | - | - | 100,799 | - | 100,799 | - |
| Due to employees | 89,452 | - | - | - | 89,452 | - | 89,452 | - |
| Due to primary government | 1 | - | - | - | 1 | - | 1 | - |
| Due to other funds | 73,765 | - | - | 17,403 | 91,168 | - | 91,168 | - |
| Other liabilities | - | - | - | - | - | - | - | 60,450 |
| Unearned revenue, net of accumulated amortization | 199,607 | - | - | - | 199,607 | - | 199,607 | - |
| Total Current Liabilities Payable from Unrestricted Current Assets | \$ 541,723 | \$ - | \$ - | \$ 19,328 | \$ 561,051 | \$ - | \$ 561,051 | \$ 60,450 |
| Payable from restricted current assets: | | | | | | | | |
| Accounts payable | - | 942 | 593 | 111 | 1,646 | - | 1,646 | - |
| Accrued interest payable | - | - | - | 972 | 972 | 3,760,450 | 3,761,422 | - |
| Bonds and notes payable from primary government | - | - | - | - | - | 11,170,000 | 11,170,000 | - |
| Bonds and notes payable from State component units | - | - | - | - | - | 493,724 | 493,724 | - |
| Unamortized bond premium | - | - | - | - | - | 1,884,670 | 1,884,670 | - |
| Total Current Liabilities Payable from Restricted Current Assets | \$ - | \$ 942 | \$ 593 | \$ 1,083 | \$ 2,618 | \$ 17,308,844 | \$ 17,311,462 | \$ - |
| Total Current Liabilities | \$ 541,723 | \$ 942 | \$ 593 | \$ 20,411 | \$ 563,669 | \$ 17,308,844 | \$ 17,872,513 | \$ 60,450 |
| Noncurrent Liabilities | | | | | | | | |
| Payable from unrestricted noncurrent assets: | | | | | | | | |
| Accrued liabilities | 22,222 | - | - | - | 22,222 | - | 22,222 | - |
| Bonds and notes payable from primary government | - | - | - | - | - | - | - | - |
| Bonds and notes payable from State component units | - | - | - | - | - | - | - | - |
| Assets | \$ 22,222 | \$ - | \$ - | \$ - | \$ 22,222 | \$ - | \$ 22,222 | \$ - |
| Payable from restricted noncurrent assets: | | | | | | | | |
| Bonds and notes payable from primary government | - | - | - | - | - | 119,150,000 | 119,150,000 | - |
| Bonds and notes payable from State component units | - | - | - | - | - | 40,926,870 | 40,926,870 | - |
| Noncurrent portion of long term debt | - | - | - | 369,080 | 369,080 | - | 369,080 | - |
| Unamortized bond premium | - | - | - | - | - | 11,057,886 | 11,057,886 | - |
| Total Noncurrent Liabilities Payable from Restricted Noncurrent | \$ - | \$ - | \$ - | \$ 369,080 | \$ 369,080 | \$ 171,134,756 | \$ 171,503,836 | \$ - |
| Total Noncurrent Liabilities | \$ 22,222 | \$ - | \$ - | \$ 369,080 | \$ 391,302 | \$ 171,134,756 | \$ 171,526,058 | \$ - |
| Total Liabilities | \$ 563,945 | \$ 942 | \$ 593 | \$ 389,491 | \$ 954,971 | \$ 188,443,600 | \$ 189,398,571 | \$ 60,450 |
| Net Position: | | | | | | | | |
| Net Investment in Capital Assets | 89,223 | - | - | - | 89,223 | - | 89,223 | - |
| Restricted | - | 21,620,266 | 4,186,016 | 22,418,033 | 48,224,315 | - | 48,224,315 | - |
| Unrestricted | 51,810,328 | - | - | 16,822,683 | 68,633,011 | - | 68,633,011 | - |
| Current Change in Net Position | 663,411 | 8,301,868 | 14,701 | (141,280) | 8,838,700 | - | 8,838,700 | - |
| Total Net Position | \$ 52,562,962 | \$ 29,922,134 | \$ 4,200,717 | \$ 39,099,436 | \$ 125,785,249 | \$ - | \$ 125,785,249 | \$ - |
| Total Liabilities & Net Position | \$ 53,126,907 | \$ 29,923,076 | \$ 4,201,310 | \$ 39,488,927 | \$ 126,740,220 | \$ 188,443,600 | \$ 315,183,820 | \$ 60,450 |



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: March 10, 2015
Re: Monthly Procurement Report

CANCELLED AWARDS

| Services Provided | Vendor | Initial/ Renewal Term | Start/End | Total Final NTE Value | Total Prior Contract NTE Value | Total Prior Contract Expense | Avg Yrly Prior Contract Expense |
|---------------------------------------|--|-----------------------------|-------------|-----------------------------|--------------------------------------|------------------------------------|--|
| Accounting and Auditing Services Pool | Various vendors <i>(IFA Exemption)</i> | 3 | 03/15-02/18 | \$ 495,000 | N/A | N/A | N/A |

ACTIVE SOLICITATIONS

| Services Provided | Vendor | Proposed Initial Term (Yrs) | Estimated Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Prior Contract Expense |
|---|--|--------------------------------------|------------------------|---------------------------|--------------------------------|------------------------------|--|
| Debt Management Software Application | No Board Action Needed. Management is currently reviewing. <i>(IL Procure Code)</i> . System demonstrations held on Nov 14, 2014. | 3 | 03/15-02/18 | TBD | N/A | N/A | N/A |
| Accounting Software Maintenance and Support | No Board Action Needed. Anticipated award Mar/Apr 2015. <i>(IL Procure Code)</i> | 3 | 03/15-02/18 | N/A | \$ 49,500 | \$ 49,500 | \$ 49,500 |

NEW CONTRACT AWARDS

| Services Provided | Vendor | Initial/ Renewal Term | Start/End | Total Final NTE Value | Total Prior Contract NTE Value | Total Prior Contract Expense | Avg Yrly Prior Contract Expense |
|---|---|-----------------------------|-------------|-----------------------------|--------------------------------------|------------------------------------|--|
| Professional and Artistic (CPA Services; IRS Reporting) | Whittaker and Company <i>(No Board Action-Small Purchase < \$20,000)</i> | 2 mos | 02/15-04/15 | \$ 10,000 | N/A | N/A | N/A |

UPCOMING SOLICITATIONS

| Services Provided | Vendor | Proposed Initial Term (Yrs) | Start/End | Estimated NTE Value* | Prior Contract NTE Value* | Prior Contract Expense* | Avg Yrly Prior Contract Expense |
|---|---|--------------------------------------|-------------|----------------------------|---------------------------------|-------------------------------|--|
| Investment Advisor and/or Mgmt Services | Per BOD Direction <i>(IFA Exemption)</i> | 2 | N/A | N/A | N/A | N/A | N/A |
| Payroll Services | No Board Action Needed. Anticipated award June 2015. <i>(IL Procure Code)</i> | 5 | 07/15-06/20 | N/A | \$ 233,000 | \$ 170,000 | \$ 170,000 |
| Employee Benefit Services | Anticipated award June 2015. <i>(IFA Exemption)</i> | 5 | 07/15-06/20 | N/A | \$ 233,000 | \$ 170,000 | \$ 170,000 |
| Loan Management and Paying Agent/Custodian Services | Anticipated award June 2015. <i>(IFA Exemption)</i> | 3 | 07/15-06/18 | N/A | \$ 300,000 | \$ 158,662 | \$ 52,887 |



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: March 10, 2015
Re: Monthly Procurement Report

| | | | | | | | |
|---|---|---|-------------|-----|------------|------------|------------|
| Insurance Broker | No Board Action Needed. Anticipated award June 2015. <i>(IL Procure Code)</i> | 3 | 07/15-06/18 | N/A | \$ 68,700 | \$ 68,700 | \$ 22,900 |
| Specialty Accounting/Audit Services | Anticipated award April 2015. <i>(IFA Exemption)</i> | 3 | 04/15-05/18 | N/A | \$ 200,000 | \$ 200,000 | \$ 50,000 |
| Legislative Services | No Board Action Needed. Anticipated award June 2015. <i>(IL Procure Code)</i> | 3 | 07/15-06/18 | N/A | \$ 180,000 | \$ 180,000 | \$ 60,000 |
| IT Network Support | No Board Action Needed. Anticipated award June 2015. <i>(IL Procure Code)</i> | 3 | 07/15-06/18 | N/A | \$ 90,000 | \$ 90,000 | \$ 30,000 |
| Financial Deposit Institution/Cash Mgmt | Anticipated award May 2015. <i>(IFA Exemption)</i> | 5 | 05/15-04/20 | N/A | \$ 105,000 | \$ 105,000 | \$ 105,000 |
| Typesetting and Printing Services | No Board Action Needed. Anticipated award June 2015. <i>(IL Procure Code)</i> | 3 | 07/15-06/18 | N/A | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Marketing Services | No Board Action Needed. Anticipated award July 2015. <i>(IL Procure Code)</i> | 3 | 07/15-06/18 | N/A | \$ 300,000 | \$ 179,276 | \$ 89,638 |
| Information Technology Software Support | No Board Action Needed. Anticipated award July 2015. <i>(IL Procure Code)</i> | 3 | 07/15-06/18 | N/A | \$ - | \$ - | \$ - |

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

UPCOMING RENEWALS

| Services Provided | Vendor | Proposed Renewal Term (Yrs) | Start/End | Estimated NTE Value | Prior Contract NTE Value | Prior Contract Expense | Avg Yrly Prior Contract Expense |
|---|---|--------------------------------------|-------------|---------------------------|--------------------------------|------------------------------|--|
| Energy Efficiency Projects-No Fee to IFA | Hanson Professionals Services, Inc. <i>(IFA Exemption)-Will Not Renew</i> | 5 | 02/15-02/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Siemens Industry Inc. <i>(IFA Exemption)-Will Not Renew</i> | 5 | 03/15-03/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Johnson Controls, Inc. <i>(IFA Exemption)-Will Not Renew</i> | 5 | 10/15-10/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Hill Mechanical Group <i>(IFA Exemption)-Will Not Renew</i> | 5 | 10/15-10/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Utilities Dynamics, Inc. <i>(IFA Exemption)-Will Not Renew</i> | 5 | 10/15-10/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Ameresco, Inc. <i>(IFA Exemption)</i> | 5 | 11/15-11/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Honeywell International, Inc. <i>(IFA Exemption)-Will Not Renew</i> | 5 | 11/15-11/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Kenny Construction <i>(IFA Exemption)-Will Not Renew</i> | 5 | 11/15-11/20 | \$ - | N/A | N/A | N/A |
| Energy Efficiency Projects-No Fee to IFA | Noresco, LLC <i>(IFA Exemption)-Will Not Renew</i> | 5 | 11/15-11/20 | \$ - | N/A | N/A | N/A |
| Insur. Broker: Energy Efficiency Projects-No Fee to IFA | Mesirow Insurance Services, INC <i>(IFA Exemption)</i> | 5 | 10/15-10/20 | \$ - | N/A | N/A | N/A |
| Insur. Broker: Energy Efficiency Projects-No Fee to IFA | AON Risk Services Central, INC. <i>(IFA Exemption)</i> | 5 | 11/15-11/20 | \$ - | N/A | N/A | N/A |

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

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



**ILLINOIS FINANCE AUTHORITY
MEMORANDUM**

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: March 10, 2015
Re: Monthly Procurement Report

OTHER ILLINOIS PROCUREMENT CODE ACTIVITIES (NO BOARD ACTION NEEDED)

| Services Provided | Vendor | Initial/ Renewal Term (Yrs) | Start/End | Total Final NTE Value | Total Current Contract NTE Value | Total Current Contract Expense | Avg Yrly Current Contract Expense |
|---|------------------------------|--------------------------------------|-------------|-----------------------------|---|---|--|
| Financial Services/MSRB & EMMA Reporting | Bloomberg Finance L.P. | 1 | 09/14-09/15 | \$ 24,000 | \$ 24,000 | \$ 24,000 | \$ 24,000 |
| Bloomberg Anywhere Services | Bloomberg Finance L.P. | 2 | 12/14-11/16 | \$ 42,000 | \$ 42,000 | \$ 42,000 | \$ 21,000 |
| McAfee Annual Software Renewal | Novanis IT Solutions | 1 yr 6 mos | 12/14-06/16 | \$ 329 | \$ 329 | \$ 329 | \$ 219 |
| Citrix Software VPN Services | En Pointe Technologies | 1 | 12/14-11-15 | \$ 840 | \$ 840 | \$ 840 | \$ 840 |
| Typesetting Services for CAFR | RR Donnelley | 4 mos | 10/14-02/15 | \$ 23,000 | \$ 23,000 | \$ 23,000 | \$ 23,000 |
| Printing Services for CAFR | 3rd Coast Imaging, Inc. | 4 mos | 10/14-02/15 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Data Cartridges | Malelo and Company | 1 yr 11 mos | 01/15-10/16 | \$ 3,357 | \$ 3,357 | \$ 3,357 | \$ 1,679 |
| Staffing Assistance | Anchor Staffing | 6 mos | 01/15-06/15 | \$ 23,251 | \$ 23,251 | \$ 23,251 | \$ 46,502 |
| Staffing Assistance | Seville Staffing | 6 mos | 01/15-06/15 | \$ 9,504 | \$ 9,504 | \$ 9,504 | \$ 19,008 |
| Cloud-Based File Sharing | Dropbox | 1 | 02/15-02/16 | \$ 1,670 | \$ 1,670 | \$ 1,670 | \$ 1,670 |
| Storage Services | Midwest Moving & Storage | 7 mos | 12/14-06/15 | \$ 8,295 | \$ 8,295 | \$ 8,295 | \$ 16,590 |
| Post Office Box Rental | United States Postal Service | 1 | 01/15-12/15 | \$ 1,094 | \$ 1,094 | \$ 1,094 | \$ 1,094 |
| Multi-functional Device (Color) | Xerox | 3 | 02/15-01/18 | \$ 10,936 | \$ 10,936 | \$ 10,936 | \$ 3,645 |
| Records Mgmt Software Maintenance and Support | Com Microfilm | 16 mos | 03/15-06/16 | \$ 6,324 | \$ 6,324 | \$ 6,324 | \$ 4,517 |
| Symantec Software and Offsite Tape and Data Storage | National Tek Services | 3 | 03/15-02/18 | \$ 16,601 | \$ 16,601 | \$ 16,601 | \$ 5,534 |
| VMware Support/Subscription | Presidio | 14 mos | 04/15-06/16 | \$ 4,059 | \$ 4,059 | \$ 4,059 | \$ 3,382 |
| | | 3 | 02/15-01/18 | \$ 10,936 | \$ 10,936 | \$ 10,936 | \$ 3,645 |

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher
Date: March 10, 2015
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$517,700 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$190,000.00**
- **Calendar Year Summary:** (as of March 10, 2015)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$931,310
 - Volume Cap Remaining: \$9,068,690
 - Average Farm Acreage: 49
 - Number of Farms Financed: 3
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - Convey tax-exempt status
 - Will use dedicated 2015 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

| | |
|-------------------------------|---|
| A. Project Number: | A-FB-TE-CD-8725 |
| Borrower(s): | Clark, Dustin J. & Lauren R. |
| Borrower Benefit: | First Time Land Buyer |
| Town: | Oblong, IL |
| IFA Bond Amount: | \$190,000 |
| Use of Funds: | Farmland – 48 acres of farmland |
| Purchase Price: | \$190,000 / \$3,958 per acre |
| %Borrower Equity | 0% |
| %Other | 0% |
| %IFA | 100% |
| Township: | St. Marie and German |
| Counties/Regions: | Jasper and Richland / Southeastern |
| Lender/Bond Purchase: | First National Bank / Todd Musgrave |
| Legislative Districts: | Congressional: 15 |
| | State Senate: 55 |
| | State House: 110 |

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

\$240,000

EDWARD & CONNIE PETERSON

March 10, 2015

WORKING CAPITAL GUARANTEE

| | | | | |
|-----------------------------|---|---------------|-----|-----------------------------|
| REQUEST | <p>Purpose: Provide 85% working capital loan guarantee in favor of Alpine Bank, for borrowers' 2015 working capital needs.</p> <p>Project Description: This proposed loan of \$240,000 is to provide working capital for Edward & Connie Peterson (collectively, the "Borrower"). Presently, Elburn Coop provides the funding of the operation. However, the Petersons are also bound to buy all their input needs from Elburn Coop, limiting their ability to seek out lower input costs.</p> <p>Program Product Type: Working Capital Guarantee</p> <p>State Treasurer's Funds at Risk: \$204,000</p> <p>Conditions: 1) A Blanket 1st Security Position on all farm assets with a second mortgage on 157 acres. 2) Lender is to request joint check for all farm commodities. Additional conditions that must be satisfied are noted on p. 9.</p> | | | |
| BOARD ACTIONS | <p>Final Resolution – 85% Loan Guarantee</p> <p>Voting Record: None prior</p> | | | |
| MATERIAL CHANGES | N/A | | | |
| JOB DATA | N/A | Current jobs | N/A | New jobs projected |
| | N/A | Retained jobs | N/A | Construction jobs projected |
| BORROWER DESCRIPTION | <ul style="list-style-type: none"> • Type of entity: Sole Proprietorship • Location: Kingston, IL/DeKalb County/Northeast Region • What does the entity do: Grain Farming • What will new project facilitate: Borrowers' 2015 operating needs | | | |
| PROPOSED STRUCTURE | <p>Originating Bank: Alpine Bank ("Bank")</p> <p>Collateral: 1st Blanket Security interest in all farm assets (crops, inventories, equipment, A/R, etc.) plus 2nd mortgage on 157 acres</p> <p>Collateral Position: 1st</p> <p>Maturity: 1 year</p> <p>Interest Rate: Prime plus 1.5% (5%) adjustable daily for 1 year</p> | | | |
| SOURCES AND USES | <p>IFA Guaranteed Loan: <u>\$240,000</u> \$240,000 of 2015 total input cost of \$318,340</p> <p>Bank will monitor advances.</p> <p>Total <u>\$240,000</u> Total <u>\$240,000</u></p> | | | |
| RECOMMENDATION | Credit Review Committee recommends [pending]. | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2015**

Project: Edward & Connie Peterson

STATISTICS

| | | |
|---------------------------------|------------|---------------|
| Project Number: | Amount: | \$240,000 |
| Type: Working Capital Guarantee | IFA Staff: | Patrick Evans |
| County/Region: DeKalb/Northeast | City: | Kingston |

BOARD ACTION

| | |
|--|--|
| Final Resolution - 85% Loan Guarantee | Credit Review Committee recommends [pending] |
| State Treasurer's Reserve Funds at risk: \$204,000 | Extraordinary conditions: None |

VOTING RECORD

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

PURPOSE

Use of proceeds: Provide funding for Borrower's 2015 operating needs

IFA PROGRAM AND CONTRIBUTION

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

The maximum loan that may be guaranteed is \$250,000 (for any single borrower and affiliates). Accordingly, the maximum IFA Working Capital Guarantee exposure is \$212,500. Additionally, the recommended maximum loan guarantee term is one year.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

| | | | |
|-------------------------|------------------|-------|--|
| Sources: IFA Guarantee: | <u>\$240,000</u> | Uses: | \$240,000 of the Borrowers' 2015 Operating needs of \$318,340 |
|-------------------------|------------------|-------|--|

| | | | |
|--------------|-------------------------|---------------|-------------------------|
| Total | <u>\$240,000</u> | Total: | <u>\$240,000</u> |
|--------------|-------------------------|---------------|-------------------------|

FINANCING SUMMARY/STRUCTURE

| | |
|-------------------------|---|
| Security: | 1 st Blanket Security Interest in all Farm Assets, 2 nd Mortgage on 157 acres |
| Structure: | 1 year |
| Interest Mode: | Prime plus 1.5% - Adjustable daily |
| Credit Enhancement: | IFA 85% Guarantee |
| Personal Guarantees: | N/A |
| Maturity: | 1 Year |
| Estimated Closing Date: | March 15, 2015 |
| Lender: | Alpine Bank, N.A. (Belvidere, IL) |

PROJECT/BUSINESS SUMMARY

Character: Edward and Connie Peterson are established farmers in their mid-60s. Their operation consists of 493 acres of grain & hay farms in DeKalb County. They have a hog facility that is rented out. They plant wheat annually to have acres available for the utilization of the hog manure.

With low hog prices in 2008 and 2009, the Petersons encountered financial difficulties. As a result, they filed Chapter 12 Bankruptcy in February 2010. After meeting all of their required obligations, the Petersons were dismissed from Bankruptcy.

In March of 2014, a neighbor and long-time landlord offered to sell her 157 acres to Edward and Connie for \$6,500 per acre. Edward's deceased father had been the tenant on the property for over 30 years. The bank estimates real estate value to be \$10,000 plus per acre with the individuals valuing it at \$1,640,000 on their personal balance sheet.

The Petersons are considered good crop farmers by Alpine Bank and have harvested above average yields. In 1994 Edward was recognized by Prairie Farmer as a Master Farmer of Illinois. This is an annual award given to about four Illinois farmers. Also, Petersons are recognized in the community.

Condition: This IFA guarantee request will be conditional upon the Bank obtaining a 1st blanket security in all farm assets and a 2nd mortgage on 157 acres of row crop farm land. A title search will be required for support of the 2nd mortgage. The note will be a 1 year note with interest rates adjusting daily at Prime plus 1.5%. This bank with approval of IFA will have the option to extend this debt up to 3 years. The Bank will obtain a 1st blanket security interest in all farm assets and a 2nd mortgage on the 157 acres subject only to the existing 1st mortgage of \$960,000 with Alpine Bank (the "Bank" or "Alpine"). Also, the Bank will require 85% crop insurance coverage and joint check the crop sales.

Rationale: The proposed loan will be to provide financing of the 2015 operating needs. The lender will be Alpine Bank. The Borrower's current operating lender is CHS Capital, LLC via Elburn Coop. Through Alpine's operating loan, the Borrower hopes to be able lower his operating cost through shopping his inputs.

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Edward Peterson & Connie Peterson
Project Location: 28968 Glidden Road, Kingston, IL
Collateral: 1st Blanket security interest in all farm assets with a 2nd mortgage on 157 acres.
Ownership: Edward Peterson & Connie Peterson

PROFESSIONAL & FINANCIAL

| | | | |
|---------------------|----------------------------|---------------|---------------|
| Borrower's Counsel: | N/A | | |
| Accountant: | Illinois Valley FBFM Assoc | Ottawa, IL | Scott Newport |
| Appraiser: | N/A | | |
| Originating Bank: | Alpine Bank | Belvidere, IL | Carl Dumoulin |
| Bank Counsel: | TBD | | |
| IFA Advisors: | N/A | | |
| IFA Counsel: | TBD | | |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 16 |
| State Senate: | 45 |
| State House: | 90 |

\$20,000,000

March 10, 2015

Midwestern University Foundation

| | | | |
|---|--|------------------------------------|---|
| REQUEST | <p>Purpose: The IFA Series 2015 Bonds will be issued in one or more series and proceeds from the sale of the Bonds will be used by Midwestern University Foundation (the “Foundation” or the “Borrower”), a private Illinois nonprofit corporation and affiliate under common control of Midwestern University (the “University”, an Illinois not-for-profit corporation institution of higher education), and combined with certain other available funds to (i) finance private education loans to students of the University that attend the University’s Illinois Campus, (ii) finance a portion of the interest on the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, (iii) finance one or more debt service reserve funds for the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Series Bonds, if deemed necessary or advisable by the Borrower (collectively the “Financing Purposes”). The Bonds will be issued pursuant to the Higher Education Loan Act of the State of Illinois, as amended, and the Illinois Finance Authority Act, as amended.</p> <p>Volume Cap: Because the underlying “users” of the Bond Proceeds will be private taxpayers (i.e., students), issuance of the proposed IFA Bonds will require up to \$20 million of Illinois Volume Cap. IFA already has set-aside sufficient Volume Cap in anticipation of this estimated \$15.0 million to \$20.0 million bond issue in 2015.</p> <p>Program: Conduit Qualified Student Loan Revenue Bonds [issued pursuant to IFA statutory authority under the (Illinois) Higher Education Loan Act, as successor to the Illinois Educational Facilities Authority (“IEFA”).]</p> <p>Extraordinary Conditions: None.</p> | | |
| BOARD ACTION | Amending and Restating IFA Final Bond Resolution approved on December 9, 2014 [which amends IFA Resolution 2014-1209-NP03 to reflect a revised (and simplified) financing structure]. | | |
| MATERIAL CHANGES/ VOTING RECORD | <p><i>The IFA Bonds and Arizona Bonds will now each be issued under separate Trust Indentures and rated individually, rather than using a common Master Trust Indenture to secure both the Illinois and Arizona bonds, as originally contemplated.</i></p> <p>Voting Records: (12/9/2014 – Final Bond Resolution): Yeas: 10; Nays: 0; Abstentions: 1 (Gold); Absent 4 (Lonstein; Parish; Tessler; Zeller), and (7/11/2014 – Preliminary Bond Resolution): Yeas: 11; Nays: 0; Abstentions: 0; Absent: 4 (Gold, O’Brien, Pedersen, Vaught)</p> | | |
| JOB DATA | 600 | Midwestern Univ. – Illinois Campus | N/A New jobs projected (not a capital asset financing) |
| | N/A | Retained jobs | N/A Construction jobs projected (not a capital project) |
| DESCRIPTION | <ul style="list-style-type: none"> • Campus locations: Downers Grove/DuPage County/Northeast Region • Type of entity: Midwestern University Foundation is an Illinois nonprofit corporation established in 1994 to secure and manage private support to benefit Midwestern University (“MWU” or the “University”). The Foundation is a 501(c)(3) corporation and is the official fundraising arm of the University. The University is the sole member of the Foundation. • Originally founded in 1900 as the Chicago School of Osteopathy (based in Hyde Park), the University has since expanded its educational offerings, and relocated to Downers Grove in 1986 (becoming Midwestern University in 1992, after adding new professional and graduate health programs). Midwestern established a second campus in 1995 in Glendale, AZ. Today, Midwestern University provides professional graduate and post-graduate education and offers 16 different advanced degree programs in various fields of medicine, pharmacy, dentistry, and the health sciences. | | |
| PURPOSE/ STRUCTURE / SECURITY / ANTICIPATED RATINGS | <ul style="list-style-type: none"> • Program Purpose and Background: Please see “Program Purpose and Background” section on pages 3-4. • Structure: The plan of finance contemplates that the IFA Bonds will be sold in one or more series. The Foundation will pledge 100% of newly originated Illinois campus student loans funded from IFA Bond proceeds to the Trust and existing loans that will be pledged by the Foundation as equity). The transaction structure for the IFA Bonds will include both Senior 2015A Bonds and Subordinate 2015B Bonds that will each attain specific debt service coverage benchmarks necessary for the target ratings. • Security/Anticipated Ratings: The pledge of (i) 100% of the student loans funded from IFA bond proceeds, combined with (ii) the Senior/Subordinate structure, (iii) the additional pledged student loans pledged by the Foundation as equity, (iv) cash equity to be contributed by the Foundation, and (v) Midwestern University’s 30+ year low student loan borrower default history are all factors that are anticipated to result in high investment grade ratings on both the IFA Series 2015A Bonds (anticipated at “AA” or higher) and the IFA Series 2015B Bonds (anticipated “A” or better) from S&P. • Financing will be non-recourse to the Foundation and University: The proposed IFA Student Loan Revenue Bonds will be non-recourse to both the Foundation and to Midwestern University and rated solely based on Illinois Trust Indenture and transaction structure. The Glendale Arizona Industrial Development Authority Bonds will be issued under its own indenture and rated according to its Indenture and transaction structure. (Informational Disclosure: The University has underlying long-term ratings of A-/A+ (S&P/Fitch).) • RBC Capital Markets has been engaged by the Borrower to serve as Underwriter. | | |
| MATURITY | • Not to exceed 40 years (final maturity will be based on rating agency feedback based on portfolio stress testing) | | |
| SOURCES AND USES – IFA BONDS ONLY (PRELIMINARY, SUBJECT TO CHANGE) | Sources: | Uses: | |
| | IFA Senior-Subord. Bonds | \$15,000,000 | Student Loans \$15,000,000 |
| | Foundation – Contributed Student Loans (Contributed Equity) | 1,500,000 | Capitalized Interest 2,000,000 |
| | Foundation Cash Equity | <u>1,750,000</u> | Debt Service Reserve Fund 500,000 |
| | | | Costs of Issuance <u>750,000</u> |
| | Total | <u>\$18,250,000</u> | Total <u>\$18,250,000</u> |
| RECOMMENDATION | The Credit Review Committee recommends approval. | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2015**

Project: Midwestern University Foundation

STATISTICS

| | | | |
|-----------------|----------------------------|------------|-------------------------------------|
| Project Number: | N-NP-TE-CD-8678 | Amount: | \$20,000,000 (not-to-exceed amount) |
| Type: | Student Loan Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| IL Campus | | County/ | |
| Location: | Downers Grove | Region: | DuPage County/Northeast |

BOARD ACTION

Resolution to Amend and Restate Final Bond Resolution (*Amending and Restating IFA Bond Resolution 2014-1209-NP03*)

| | |
|---|-----------------------------|
| Conduit Student Loan Revenue Bonds | No IFA funds at risk |
| Credit Review Committee recommends approval | No extraordinary conditions |

VOTING RECORD

Final Bond Resolution (December 9, 2014): Yeas: 10; Nays: 0; Abstentions: 1 (Gold); Absent 4 (Lonstein; Parish; Tessler; Zeller)

Preliminary Bond Resolution (July 11, 2014): Yeas: 11; Nays: 0; Abstentions: 0; Absent: 4 (Gold, O'Brien, Pedersen, Vaught)

PURPOSE

The IFA Series 2015 Bonds will be issued in one or more series and proceeds from the sale of the Bonds will be used by **Midwestern University Foundation** (the “**Foundation**” or the “**Borrower**”), a private Illinois nonprofit corporation and affiliate under common control of Midwestern University (the “**University**”, an Illinois not-for-profit corporation institution of higher education), and combined with certain other available funds to (i) finance private education loans to students of the University that attend the University’s Illinois Campus, (ii) finance a portion of the interest on the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, (iii) finance one or more debt service reserve funds for the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Series Bonds, if deemed necessary or advisable by the Borrower (collectively the “**Financing Purposes**”). *The Bonds will be issued pursuant to the Higher Education Loan Act of the State of Illinois, as amended, and the Illinois Finance Authority Act, as amended.*

The Bonds will be issued as qualified student loan bonds under Internal Revenue Code Section 144(b)(1)(B). Proceeds of the Bonds will be used to finance loans to qualified students enrolled at the University’s Downers Grove, Illinois campus for Programs leading to a masters, doctorate, or other graduate or professional degree who have otherwise exhausted available sources of federal, state, and institutional grants and loans.

IFA PROGRAM AND CONTRIBUTION

IFA is authorized (as successor to the Illinois Educational Facilities Authority) to issue conduit revenue bonds on behalf of education loan corporations and accredited institutions of higher education (including their affiliated foundations) pursuant to the **Higher Education Loan Act (20 ILCS 945)**. Proceeds of the IFA Bonds are then, in turn, loaned by the conduit education loan corporation (i.e., Midwestern University Foundation in this transaction) to current students (i.e., of Midwestern University’s Downers Grove Illinois campus) to finance qualified costs of higher education as specified under the Internal Revenue Code. (Please see p. 11, “Note on IFA’s Legislative Authority to Issue Student Loan Revenue Bonds”, for additional information.)

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, with the interest rate benefit ultimately conveyed to each student loan borrower.

VOLUME CAP

As noted previously, because the ultimate beneficiaries of the IFA Bonds will be private taxpayers (i.e., students), issuance of Student Loan Revenue Bonds will be subject to an allocation of up to \$20 million of Illinois Volume Cap based on the current estimated transaction amount, as required under the Internal Revenue Code. (As noted previously, IFA has already set-aside sufficient prior-year Carryforward Volume Cap to enable the proposed Student Loan Revenue Bonds to be issued upon completion of all transaction legal and securities documentation.)

ESTIMATED SOURCES AND USES OF FUNDS – IFA BONDS ONLY *(Preliminary, subject to change)*

| Sources: | | Uses: | |
|---|----------------------------|---------------------------|----------------------------|
| IFA Senior 2015A Bonds | \$12,500,000 | Student Loans: | \$15,000,000 |
| IFA Subordinate 2015B Bonds | 2,500,000 | Capitalized Interest | 2,000,000 |
| Foundation – Pledged Student Loans (Equity) | 1,500,000 | Debt Service Reserve Fund | 500,000 |
| Foundation Cash Equity | <u>1,750,000</u> | Costs of Issuance | <u>750,000</u> |
| Total | <u>\$18,250,000</u> | Total | <u>\$18,250,000</u> |

JOBS

| | | | |
|---------------------|-----|---------------------|-----------------------------|
| Current employment: | 600 | Projected new jobs: | N/A (not a capital project) |
| Jobs retained: | N/A | Construction jobs: | N/A (not a capital project) |

Note: These Bonds will be available for use by the Borrower to fund student loans to students at Midwestern University's Downers Grove campus (irrespective of each student's state of residency.)

PROGRAM PURPOSE AND BACKGROUND

Program

Purpose: In order to offer more favorable terms than are generally available to Midwestern University's students under the federal GradPLUS Loan Program ("GradPLUS"), the University plans (through its affiliated Midwestern University Foundation) to offer loans directly to its students pursuant to the terms of this new bond-funded student loan program.

Funds for the current academic year 2015-2016 loans will be generated from (i) IFA Bonds Proceeds (loaned to Midwestern University Foundation), (ii) Midwestern University Foundation Pledged Loans (comprising equity of approximately \$1.5 million that would be allocated to loans for students at the Illinois campus and to secure the IFA Bonds), and (iii) \$1,750,000 of cash to be contributed by the Foundation to support the Illinois program transaction structure.

IFA Bonds to be Issued under the Higher Education

Loan Act: IFA will issue the subject Series 2015 Bonds pursuant to powers authorized under the **Higher Education Loan Act** (110 ILCS 945 or "**HELA**"), as successor to the Illinois Educational Facilities Authority (which itself absorbed the issuance authority of the former **Illinois Independent Higher Education Loan Authority** ("**IIHELA**" in 1987)). IIHELA was established under Illinois law effective September 1981.

IFA is authorized to issue conduit revenue bonds on behalf of higher education institutions for the express purpose of providing student loans using IIHELA's former powers as enumerated under HELA.

From 1982 to 1985, the Illinois Independent Higher Education Loan Authority issued approximately \$98.6 million of Bonds on behalf of six institutions (Northwestern University; DePaul University; Loyola University; Knox College; University of Chicago, Rush Medical School). Bond issue par amounts ranged from \$500,000 (Knox College) to \$22.0 million (Rush

Medical School). Most IIHELA Bonds carried maturities of up to 15 years. The last outstanding IIHELA Bonds matured in 1999.

Other federal loan programs superseded the IIHELA Bonds in use by each of the universities.

The proposed Series 2015 Bonds would be the first bond issuance by IFA using the HELA statutory powers since IFA's inception in 2004.

**Concurrent Issuance
of \$15 Million of
Student Loan Bonds
by the**

Glendale IDA: Concurrently with the issuance of the proposed \$15 million of IFA Bonds, the University and Foundation contemplate a concurrent issuance of \$15 million of Student Loan Revenue Bonds by the Glendale (Arizona) Industrial Development Authority ("Glendale IDA") in order to capitalize a similar program to benefit the University's Arizona students. (Midwestern University Foundation is serving as the conduit borrower for both the IFA and Glendale IDA transactions.)

The IFA Bonds and Glendale IDA Bonds will each have its own stand-alone investment-grade rating based on their respective stand-alone Trust Indenture structures. Both issues will benefit from the University's 30+ years of strong student loan repayment history.

No proceeds or collateral (cash flows) relating to the IFA Bonds will be applied to make loans to students at the Glendale, AZ campus or to secure or repay the Glendale IDA Bonds (and vice versa).

**Comment on
Need for
Separate IFA
and Arizona
Bond Issues:**

Because Qualified Student Loan Revenue Bonds ultimately benefit private taxpayers (i.e., student borrowers), the subject Bonds require an allocation of Volume Cap from the State in which each respective borrowing will benefit resident students at each campus (pursuant to Internal Revenue Code requirements). The proposed IFA Bonds will require up to \$20 million of State of Illinois Volume Cap (which the Authority has already set-aside for this purpose from a 2013 filing using unused calendar year 2012 Volume Cap).

IFA Bond proceeds will be limited in use to qualified students at Midwestern University's Illinois campus in Downers Grove. (Similarly, use of the Glendale IDA Bond proceeds will be limited in use to qualified students at Midwestern University's campus in Glendale, AZ.)

[Separately, the Glendale IDA will be providing an estimated \$15 million allocation of State of Arizona Volume Cap to cover the Par amount of Glendale IDA Bonds (as required under the Internal Revenue Code) and enabling issuance of the Bonds for use by students at Midwestern's Arizona campus.]

FINANCING STRUCTURE:

**Bond
Structure:**

The IFA Bonds will be issued in two series (i.e., Senior Series 2015A Bonds and Subordinate Series 2015B Bonds). Each series of bonds is expected to be assigned a high investment grade rating based on Pledged Collateral as described in the following section (i.e., comprised of pledged cash flows, pledged loans, and cash equity) specified pursuant to the Trust Indenture.

Pledged

Collateral: The IFA Bonds will be secured by and payable solely from amounts payable by Midwestern University Foundation pursuant to terms of the underlying Financing Agreements relating to the IFA Bonds (and limited to loans and related assets in connection with Illinois student loans).

The obligation of Midwestern University Foundation to make payments to bondholders will be limited to the extent of student loans and related collateral that are pledged under IFA Bond Trust Indenture (the “**Pledged Collateral**”).

The Pledged Collateral will consist of the following (as defined under the Trust Indenture): (i) revenues (i.e., student loan repayments), (ii) funds held in accounts established under the IFA Trust Indenture, (iii) Illinois campus student loans contributed by the Borrower (i.e., Midwestern University Foundation), and (iv) the rights of the Borrower (i.e., Midwestern University Foundation) under any loan or servicing agreement with any Illinois student.

Bonds will be a
Limited Obligation
of the Foundation

and University: The Bonds will not constitute a debt, liability, or obligation of, nor will the Bonds be secured by any general revenues or assets of the Midwestern University Foundation, or any affiliate of the Foundation, including Midwestern University.

Additionally, according to HELA: “Bonds issued under authority of the Act (HELA) shall be obligations of the [Illinois Finance] Authority only, and not of the State of Illinois”, and “Nothing in the Act (HELA) shall be construed to authorize the Authority or any department, board, commission, or other agency to create an obligation of the State of Illinois within the meaning of the Constitution or Statutes of Illinois”.

Interest Rate: Both sizing and interest rate modes are to be determined based on an evaluation of market conditions by the Foundation and its financing team at pricing based on pledged collateral (i.e., cash flows) under the Trust Indenture and from the anticipated IFA Senior Series 2015A/ IFA Subordinate Series 2015B structure.

Rating on the
Proposed IFA
and Glendale
IDA Bonds:

The Foundation and its financing team anticipate that the IFA Bonds will be rated solely on the basis of the Pledged Collateral (i.e., combined cash flows from loans; prior student loans pledged by the Foundation; and, other cash equity) provided under the Trust Indenture.

The Borrower and Financing Team will be structuring the transaction to attain high investment grade ratings on both the contemplated IFA Senior Series 2015A Bonds (anticipated at “AA” or higher) and IFA Subordinate Series 2015B Bonds (anticipated at “A” or higher) from S&P.

Information
Disclosure –
Midwestern
University’s
Underlying

Credit Ratings: As noted previously, the subject IFA Bonds *will not* be supported with cash flows or otherwise guaranteed in any manner by Midwestern University. Midwestern University is currently rated “A-”/ “A+” long-term by S&P/Fitch (both ratings note a “Stable” Outlook).

Maturity: Not-to-exceed 40 years (The anticipated final maturity date will be 25 years from the issuance date based on expected rating agency feedback.)

Estimated
Closing Date: April 2015

PROJECT SUMMARY (FOR AMENDED AND RESTATED FINAL BOND RESOLUTION)

The IFA Series 2015 Bonds will be issued in one or more series and proceeds from the sale of the Bonds will be used by **Midwestern University Foundation** (the “**Foundation**” or the “**Borrower**”), a private Illinois nonprofit corporation and affiliate under common control of Midwestern University (the “**University**”, an Illinois not-for-profit corporation institution of higher education), and combined with certain other available funds to (i) finance private education loans to students of the University that attend the University’s Illinois Campus, (ii) finance a portion of the interest on the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, (iii) finance one or more debt service reserve funds for the Series 2015 Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Series Bonds, if deemed necessary or advisable by the Borrower (collectively the “**Financing Purposes**”). The Bonds will be issued pursuant to the Higher Education Loan Act of the State of Illinois, as amended, and the Illinois Finance Authority Act, as amended.

The Bonds will be issued as qualified student loan bonds under Internal Revenue Code Section 144(b)(1)(B). Proceeds of the Bonds will be used to finance loans to qualified students enrolled at the University’s Downers Grove, Illinois campus for Programs leading to a masters, doctorate, or other graduate or professional degree who have otherwise exhausted available sources of federal, state, and institutional grants and loans.

BUSINESS SUMMARY – BACKGROUND ON PARTICIPANTS

The Foundation: **Midwestern University Foundation** (the “**Foundation**” or the “**Borrower**”) is an Illinois nonprofit corporation established in 1994 to act exclusively for scientific, scholastic, charitable and educational purposes for the benefit of Midwestern University (“**MWU**” or the “**University**”). The Foundation is an affiliate of the University under common management control (with common employees and several board members).

Established in 1994 as a supporting organization of MWU, the Foundation was inactive (and conducted no business, and had no revenues, assets or liabilities) until October 2002, when it took over financing of federal student loan programs on behalf of the University. From that time, the Foundation’s sole activity has been to finance the federal student loan programs of the University. Since 2002, and through the fiscal year which ended June 30, 2014, the Foundation financed approximately \$210 million of federally guaranteed student loans originated on behalf of the University’s students.

The Borrower is a 501(c)(3) not-for-profit entity exempt from federal income taxation under the Internal Revenue Code. The Foundation is governed by a 7-member Board of Directors (see page 10). The University is the sole member of the Foundation.

The University: Midwestern University is a private, Illinois not-for-profit corporation with 501(c)(3) status under the Internal Revenue Code.

Midwestern University was founded in 1900 as the Chicago School of Osteopathy. The University is a leading provider of graduate and post-graduate education in various fields of medicine and health sciences. The University’s degree programs are accredited by the major accrediting bodies within each field of specialization. The University’s program have experienced increasing demand over the past 10 years, have become increasingly selective, and have produced successful, high-earning graduates who have a strong repayment history on Midwestern-originated student loans over the past 30+ years.

The University relocated to its current main campus in Downers Grove (previously George Williams College) in 1986, and after adding several new professional programs became “Midwestern University” in 1992. The University established a second full-service campus in Glendale, Arizona in 1995.

The University presently has over 6,063 students across its Illinois and Arizona campuses. The University’s strong financial condition is evidenced by the University’s high investment grade ratings (“A-” / “A+” from S&P/Fitch).

The Illinois Board of Higher Education and the Arizona State Board for Private Postsecondary Education have approved all degree programs at the respective campuses under their authority, and all degrees are conferred by the authority granted by the applicable State Board. Additionally, Midwestern University's Downers Grove campus is regionally accredited by The Higher Learning Commission, a Commission of the North Central Association of Colleges and Schools.

Role of the
Foundation in
this Financing:

The Foundation will relend IFA Bond proceeds to eligible students under this Program and contribute up to \$3.25 million of combined (i) pledged loans and (ii) cash to the Trust Indenture on behalf of the IFA Bonds. Loan repayments derived from the Foundation's pledged loan portfolio and loans to be originated in the future with a portion of any cash contribution will provide additional cash flow that will help secure (i.e., and credit enhance) all IFA Bonds.

MIDWESTERN UNIVERSITY & MIDWESTERN UNIVERSITY FOUNDATION STUDENT LOANS -- A 30+ YEAR STUDENT LOAN PERFORMANCE HISTORY:

1980 – 2012: MWU's Institutional Loan Program:

- Was established in the 1980's as a University-capitalized revolving loan fund to assist students of the University's College of Osteopathic Medicine in meeting their tuition obligations to MWU;
- More recently, this program provided \$3.6 million of low-interest, fixed rate loans to Osteopathic Medicine students between 2006 and 2012;
- These loans have been serviced by ECSI (the proposed student loan servicer on loans funded from proceeds of the IFA Series 2015 Bonds – see page 9) since 2001.

1988 – 2002: MWU's FFELP Graduate "School as Lender Program" - Phase I

Financed by Midwestern University from proceeds of a revolving credit facility and loan purchase agreement by Sallie Mae ("FFELP" = Federal Family Education Loan Program)

- Loans originated with Sallie Mae advances, and subsequently sold to Sallie Mae at a small premium [i.e., approximately 101.5% of Par];
- Periodic loan sale proceeds were used to repay credit advances, thereby creating capacity for additional student loans.

2002 – 2010: MWU's FFELP Graduate "School as Lender Program" – Phase II

Student loans funded by the Midwestern University Foundation through the issuance of \$145 million of Taxable Auction Rate Securities (ARS) (ultimately secured by the Foundation's guaranteed student loans and related assets)

- Renegotiated borrower premiums allowed the Foundation/MWU to eliminate student loan origination fees;
- The collapse of the Auction Rate Securities market in February 2008 coupled with the elimination of the FFELP in mid-2010, led to the gradual unwinding of this "Phase II program" as follows:
 - MWU ceased lending under Phase II in May 2010, after providing nearly \$600 million of FFELP loans to its students;
 - The remaining student loans were "put" to the U.S. Department of Education in Fall 2010, soon after termination of the FFELP;
 - The Series 2009A Trust Indenture was collapsed and all \$65.0 million of LOC-Secured Variable Rate Demand Bonds were redeemed at Par;
 - The remaining Net Assets of \$6.0 million were released from the Series 2009A Indenture to the Foundation.

2012 – Present: Foundation Direct Loans and Development of new Tax-Exempt Student Loan Revenue Bond Program

- The Foundation will use a portion (\$6.5 million) of its assets to fund new student loans and to provide cash equity to support the Trust Indenture structures for both the IFA Bonds and the Glendale IDA Bonds (approximately \$3.25 million will be allocated to support each bond issue). Repayments from the Foundation's equity-funded loans will create additional dedicated cash flows under each Trust Indenture that will be available to cover a portion of the debt service payments due on the IFA Series

2015 Bonds (with separately pledged loans securing the Glendale IDA Series 2015 Bonds issued pursuant to its own Trust Indenture).

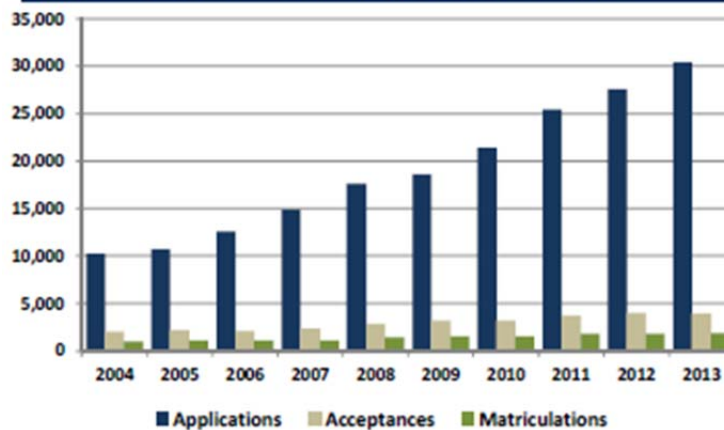
MIDWESTERN UNIVERSITY – APPLICATION AND ENROLLMENT TRENDS:

Applications to all of MWU’s programs have increased annually over the past 10 years, while admissions have become increasingly selective. *The application trend information presented below represents the most up-to-date information available as of the preparation date of this report.* Some of these facts may be updated and superseded by information reported in the Official Statement for this financing when posted.

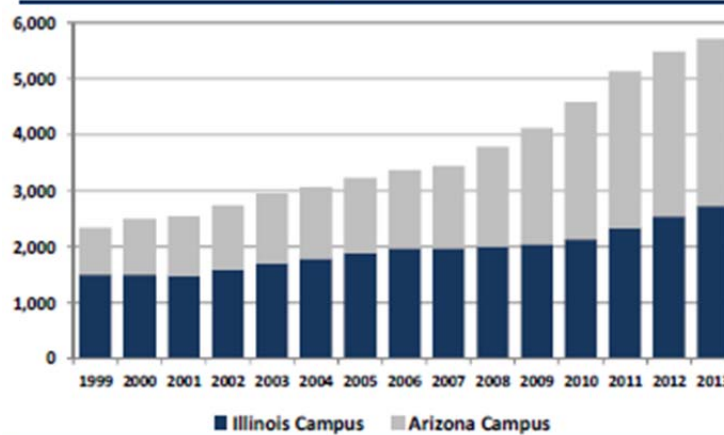
In particular:

- Total new student applications for MWU’s programs have tripled over the past 10 years, from 10,193 in 2004 to 30,346 in 2013.
- Acceptance rates have declined during the past 10 years, from 19.8% in 2004 to 13.1% in 2013.
- MWU has posted enrollment growth of:
 - 8.6% average 10-year growth rate;
 - 9.6% average 15-year growth rate;
 - Note: MWU opened its Glendale, AZ campus in 1995.
- Despite the overall increase in the number of ‘seats’ available to prospective students nationally (reflecting new school openings and new programs), competition for seats across MWU’s graduate and professional health programs has steadily increased.
- According to MWU, matriculation (i.e., enrollment) rates have been stable, ranging between 45% and 51% during the past 10 years.

Student Demand & Selectivity: 2004 to Present



Total Enrollment History: 1999 to Present



MIDWESTERN UNIVERSITY STUDENT LOAN PROGRAM OPERATIONS:

Internal Loan Program Administration:

Kim Brown, Director of Finance, who reports to the University's CFO, will be the primary administrator of the Foundation loan program and has been employed by the University since 2001. Overall, MWU's internal team has significant experience administering MWU's prior student loan programs from 1980 through 2012. Ms. Brown has been directly involved in all prior Midwestern University Foundation student loan initiatives (which began in 2002).

3rd Party Private Label Student Loan Origination Platform – Campus Door, Inc. (“CampusDoor”):

MWU has engaged CampusDoor to provide web-based loan origination platform for use by MWU's students.

Campus Door, Inc. was founded in 1995 to deliver student loans via web-based applications. Since 1995, CampusDoor has processed over \$11 billion in private student loans applications representing over 1.4 million student loan borrowers. CampusDoor is based in Carlisle, PA.

CampusDoor currently supports 19 higher education institutions and lenders including Sallie Mae, PNC Bank, M&T Bank, Corinthian Colleges (Liberty Bank), University Credit Union (Maine), and New Hampshire Higher Education Loan Corporation.

3rd Party Loan Servicing & Collections Platform – Education Computer Systems, Inc. (“ECSI”), a division of Heartland Payment Systems (Heartland Campus Solutions):

Heartland Payment Systems was founded in 1972 to provide a student loan servicing solution to higher education institutions. ECSI is based in Coraopolis, PA and is the largest campus-based student loan service in the U.S.

In 2012, Heartland Payment Systems (NYSE: HPY) acquired ECSI and integrated its student loan servicing business with its Heartland Campus Solutions division. Heartland processes more than 11 million payments per day and over \$120 billion annually and employs 3,450 nationally.

ECSI has over 1,800 college and university clients in all 50 states. Loan servicing clients include: Princeton University, SUNY System, Cornell University, University of Michigan, University of North Carolina, Oregon State University System, UNLV, The Ohio State University, and the California State System.

ECSI has serviced Midwestern University's and Midwestern University Foundation's direct student loan portfolios since 2001.

GENERAL TERMS OF MIDWESTERN'S BOND-FINANCED STUDENT LOAN PROGRAM:

Midwestern University Foundation – Academic Year 2015-2016 Student Loan Program Eligibility and Lending Parameters:

- According to the University, the initial pool of loans originated with IFA Series 2015 Bond Proceeds *will not* include loans to Medical (i.e., Osteopathic Medical School) students due to the Osteopathic Medical Program's (i) duration (4 years), (ii) length of post-graduation residency periods (3 ½ years), and (iii) high medical student post-graduation residency program participation rates (100% - which would result in a deferral of principal and interest payments to the Trust Indenture and the use of Capitalized Interest).
- In academic year 2015-2016, participation in the Foundation's Bond-funded loan program will be offered to all non-medical school students entering the final two years of 4-year programs, or for all years for any degree program of less than 4 years duration.

- Based upon initial program eligibility and historical borrowing trends, the University expects that 3rd year and 4th year students enrolled in the Dental (D.M.D.) and Pharmacy (Pharm. D.) programs and students enrolled in the Physical Therapy (D.P.T.) and Physician's Assistant (M.M.S.) programs will comprise the vast majority of the student loan program borrowers for the 2015-2016 academic year.
- Key Facts:
 - only 25% of 4th year dental students enter a 2-year residency program
 - only 20% of 4th year pharmacy students enter a 1-year residency program
 - D.P.T. and M.M.S. students typically do not enter residency programs.
- The maximum loan amount per student for any academic year is up to the total cost of attendance (less the value of other aid received), subject to a cumulative maximum loan limit of \$200,000 per student.

Over time, and as the bond-funded portfolio establishes its own performance record, Midwestern University expects to expand eligibility of this program across its student body of graduate and professional students.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Midwestern University Foundation, 551 31st Street, Downers Grove, IL 60515
Contact: Mr. Gregory J. Gaus, Senior Vice President and Chief Financial Officer, Midwestern University:
(T) 630.515.6171; email: ggausx@midwestern.edu
Website: www.midwestern.edu
Site Locations: IFA proceeds can be used by students at the University's Illinois campus.
Financing: IFA Series 2015 Student Loan Revenue Bonds (Midwestern University Foundation)
Organization: Midwestern University Foundation is Illinois not-for-profit established as a 501(c)(3) corporation
Board of Directors –
Midwestern University
Foundation: Kevin D. Leahy, Chair
Gerrit A. van Huisstede, Vice Chair
Kathleen H. Goepfinger, Ph.D., *President and Chief Executive Officer*
Warren B. Grayson, J.D.
Robert M. Lockhart, Ph.D.
W. Jay Lovelace (Glendale, AZ)
Thomas Eggleston (Glendale, AZ)

Board of Trustees –
Midwestern
University:

William D. Andrews, *Chair*
Sr. Anne C. Leonard, C.N.D., *Vice Chair*
Gerrit A. van Huisstede, *Secretary/Treasurer*
Kathleen H. Goepfinger, Ph.D., *President and Chief Executive Officer*
The Honorable Jean L. Baxter, J.D.
Michael J. Blend, Ph.D., D.O.
Janet R. Bolton, CFP, CIMA
John H. Finley, Jr., D.O.
Warren B. Grayson, J.D.
Gretchen R. Hannan
Kenneth R. Herlin
John Ladowicz, M.B.A.
Kevin D. Leahy
Madeline R. Lewis, D.O.
Robert M. Lockhart, Ph.D.
W. Jay Lovelace
The Honorable Elaine M. Scruggs
Paul M. Steingard, D.O.
Gary L. Trujillo, M.B.A.

PROFESSIONAL & FINANCIAL

| | | | |
|---|---|----------------|-------------------------------|
| Borrower's Counsel: | Locke Lord LLP | Chicago, IL | George Burgett |
| Auditor: | Ernst & Young LLP | Chicago, IL | |
| Bond Counsel: | Chapman & Cutler LLP | Chicago, IL | Nancy Burke, Chris Walrath |
| Underwriter: | RBC Capital Markets | Phoenix, AZ | Jeff Wagner |
| Underwriter's Counsel: | Kutak Rock LLP | Denver, CO | Anne Gish, Donald Stover |
| Student Loan Originator: | Campus Door, Inc. | Carlisle, PA | |
| Student Loan Servicer: | ECSI, a division of Heartland Campus Solutions | Coraopolis, PA | |
| Master Trustee (for IFA and AZ Bonds): | BNY Mellon Trust Company | New York NY | |
| Trustee's Counsel: | Perkins Coie LLP | New York NY | |
| Rating Agency: | Standard & Poor's | New York, NY | |
| IFA Counsel: | Katten Muchin Rosenman, LLP | Chicago, IL | Lew Greenbaum, Chad Doobay |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Jim Beck |

SUPPLEMENTAL FINANCING TEAM DISCLOSURE ON GLENDALE IDA BONDS:

Midwestern University Foundation will engage the same participants as in its IFA transaction, with the exception of the following parties:

| | | |
|-------------------|--|--------------|
| Issuer: | City of Glendale Industrial Development Authority | Glendale, AZ |
| Issuer's Counsel: | Ryley, Carlisle & Applestrader | Phoenix, AZ |
| Bond Counsel: | Squire Patton Boggs LLP | Phoenix, AZ |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 6 |
| State Senate: | 24 |
| State House: | 47 |

NOTE ON IFA'S LEGISLATIVE AUTHORITY TO ISSUE STUDENT LOAN REVENUE BONDS

According to Sec. 23 of the Higher Education Loan Act (or "HELA") (110 ILCS 945/23), IFA's powers under HELA shall not require the approval or consent of any political subdivision of the State nor any State of Illinois department, division, commission, board, body, bureau, official, or agency.

Specifically:

1. Pursuant to The Higher Education Loan Act, IFA's powers thereunder "...*shall be deemed to provide a complete, additional and alternative method for the doing of the things* (i.e., issuing Bonds to fund student loans) *authorized thereby and shall be regarded as supplemental and additional to, and the limitations imposed under this Act (HELA) shall not limit or otherwise affect powers or rights conferred by other laws, and the issuance of Bonds and refunding Bonds under this Act (HELA) need not comply with the requirements of any other law applicable to the issuance of Bonds.*
2. *Except as otherwise expressly provided in the Act (HELA), none of the powers granted to the Authority (IFA) under this Act (HELA) shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any department, division, commission, board, body, bureau, official or agency thereof of the State. (Source P.A. 82-658)*

March 10, 2015

\$22,500,000 (not-to-exceed) Noble Network of Charter Schools

| | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--|---------------|-----------------------|-----------------------------|-----------------------------------|-----------|---------------------------|-----------|--------|----------------|--------------|----------------------------|--|--|------------------|--------------|---------------------------|-----------|-------------------|----------------|--------------|----------------------------|
| REQUEST | <p>Purpose: Series 2015 Bond proceeds will assist Noble Network of Charter Schools (“Noble” or the “Borrower”) in providing a portion of the funds necessary to do any or all of the following: (i) advance refund in their entirety the Authority’s \$11,250,000 (original principal amount) Education Revenue Bonds (Illinois Charter Schools Project -- Noble Network of Charter Schools), Series 2006C (the “Series 2006 Bonds”); (ii) advance refund in their entirety the Authority’s \$13,620,000 (original principal amount) Education Revenue Bonds (Illinois Charter Schools Project -- Noble Network of Charter Schools), Series 2007A (the “Series 2007 Bonds” and together with the Series 2006 Bonds, the “Refunded Bonds”)); (iii) pay a portion of the interest on the Series 2015 Bonds; (iv) establish a debt service reserve fund for the benefit of the Series 2015 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Refunded Bonds, 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 ACTION | Final Bond Resolution (<i>One-time consideration</i>) | | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None. This is the first time this financing has been presented to the Board of Directors. | | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | 1,144 | 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• 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 91% 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 that the Bonds will be publically offered by B.C. Ziegler & Company (the “Underwriter”) and sold based on the direct underlying rating of the Noble Network of Charter Schools.• Standard & Poor’s (“S&P”) most recently affirmed Noble’s ‘BBB’ rating as of 10/15/2014.• IFF’s Charter School Credit Enhancement Program (“CSCEP”) will provide credit enhancement in the form of a cash funded debt reserve of up to \$2.1 million to be accessed by the Trustee (for the benefit of bondholders) in the event of a payment default. This \$2.1 million debt service reserve fund will be capitalized from the now-freed up \$2.5 million IFF cash fund common reserves on the existing IFA Series 2013 Bonds and the Refunded Bonds. | | | | | | | | | | | | | | | | | | | | | |
| 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 2013 Bonds, (ii) a leasehold mortgage on a pro rata share of the existing collateral pool currently pledged to the IFA Series 2013 Bonds and the Refunded Bonds and (iii) a Debt Service Reserve Fund capitalized under IFF’s Credit Enhancement program. | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none">• 2032 (17 years), matching the existing maturities of the Refunded Bonds. | | | | | | | | | | | | | | | | | | | | | |
| 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 4.00% and 5.00%. | | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <p>Sources:</p> <table><tr><td>IFA Series 2015 Bonds</td><td>\$22,500,000</td></tr><tr><td>IFF Credit Enhancement (Reserves)</td><td>2,100,000</td></tr><tr><td>Series 2006/2007 Reserves</td><td>1,150,000</td></tr><tr><td>Equity</td><td><u>100,000</u></td></tr><tr><td>Total</td><td><u>\$25,850,000</u></td></tr></table> | | IFA Series 2015 Bonds | \$22,500,000 | IFF Credit Enhancement (Reserves) | 2,100,000 | Series 2006/2007 Reserves | 1,150,000 | Equity | <u>100,000</u> | Total | <u>\$25,850,000</u> | <p>Uses:</p> <table><tr><td>Refunding Escrow</td><td>\$23,200,000</td></tr><tr><td>Debt Service Reserve Fund</td><td>2,100,000</td></tr><tr><td>Costs of Issuance</td><td><u>550,000</u></td></tr><tr><td>Total</td><td><u>\$25,850,000</u></td></tr></table> | | Refunding Escrow | \$23,200,000 | Debt Service Reserve Fund | 2,100,000 | Costs of Issuance | <u>550,000</u> | Total | <u>\$25,850,000</u> |
| IFA Series 2015 Bonds | \$22,500,000 | | | | | | | | | | | | | | | | | | | | | |
| IFF Credit Enhancement (Reserves) | 2,100,000 | | | | | | | | | | | | | | | | | | | | | |
| Series 2006/2007 Reserves | 1,150,000 | | | | | | | | | | | | | | | | | | | | | |
| Equity | <u>100,000</u> | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$25,850,000</u> | | | | | | | | | | | | | | | | | | | | | |
| Refunding Escrow | \$23,200,000 | | | | | | | | | | | | | | | | | | | | | |
| Debt Service Reserve Fund | 2,100,000 | | | | | | | | | | | | | | | | | | | | | |
| Costs of Issuance | <u>550,000</u> | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$25,850,000</u> | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2015**

Project: **Noble Network of Charter Schools**

STATISTICS

| | |
|---------------------------------|---|
| Project Number: N-NP-TE-CD-8727 | Amount: \$22,500,000 (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

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

VOTING RECORD

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

PURPOSE

Series 2015 Bond proceeds will assist **Noble Network of Charter Schools** (“**Noble**” or the “**Borrower**”) in providing a portion of the funds necessary to do any or all of the following: (i) advance refund in their entirety the Authority’s \$11,250,000 (original principal amount) Education Revenue Bonds (Illinois Charter Schools Project -- Noble Network of Charter Schools), Series 2006C (the “**Series 2006 Bonds**”); (ii) advance refund in their entirety the Authority’s \$13,620,000 (original principal amount) Education Revenue Bonds (Illinois Charter Schools Project -- Noble Network of Charter Schools), Series 2007A (the “**Series 2007 Bonds**” and together with the Series 2006 Bonds, the “**Refunded Bonds**”); (iii) if deemed necessary or desirable, pay a portion of the interest on the Series 2015 Bonds; (iv) if deemed necessary or desirable, establish a debt service reserve fund for the benefit of the Series 2015 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Refunded Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

| | |
|-----------------------------------|----------------------------|
| Sources: | Uses: |
| IFA Series 2015 Bonds | \$22,500,000 |
| IFF Credit Enhancement (Reserves) | 2,100,000 |
| Series 2006/2007 Reserves | 1,150,000 |
| Equity | <u>100,000</u> |
| Total | <u>\$25,850,000</u> |

| | |
|--------------|----------------------------|
| | |
| | Refunding Escrow |
| | Debt Service Reserve Fund |
| | Costs of Issuance |
| | <u>550,000</u> |
| Total | <u>\$25,850,000</u> |

JOBS

| | | | |
|---------------------|-------|---------------------|-----|
| Current employment: | 1,144 | Projected new jobs: | N/A |
| Jobs retained: | N/A | Construction jobs: | N/A |

FINANCING SUMMARY

| | |
|----------------------------|--|
| Structure: | Fixed rate, tax-exempt bonds will be sold based on the underlying direct rating of Noble Network of Charter Schools. The plan of finance contemplates that the Bonds will be offered in minimum denominations of \$5,000 in a manner consistent with IFA Bond Program Handbook requirements. |
| Security/ Rating: | <p>Investors will be secured by (i) a pledge of Network revenues on parity with its outstanding IFA Series 2013 Bonds, (ii) a leasehold mortgage on a pro rata share of the existing collateral pool currently pledged to the IFA Series 2013 Bonds and the Refunded Bonds, (iii) a Debt Service Reserve Fund capitalized under IFF's Credit Enhancement program, and (iv) other funded reserves.</p> <p>Standard & Poor's ("S&P") affirmed Noble's investment grade rating of 'BBB' as of 10/15/2014.</p> |
| Interest Rate: | The Bonds will bear a fixed interest rate that will reflect prevailing market conditions at closing (currently estimated at between 4.00% and 5.00% as of 2/25/2015). |
| Maturity: | 2032 (approximately 17 years) |
| Estimated Closing Date: | March 2015 |
| Rationale: | <p>This transaction will be an advance refunding to enable Noble to remove municipal bond insurance (ACA Financial Guarantee Corp) and streamline financial covenants on the IFA Series 2006/2007 Bonds.</p> <p>Additionally, the advance refunding the IFA Series 2006/2007 Bonds allows Noble to contribute existing reserve funds that were funded with proceeds of the Refunded Bonds to downsize the par amount of the Series 2015 Bonds and take advantage of the IFF's credit enhancement program that will capitalize a debt service reserve fund on behalf of the Network on the IFA Series 2015 (Advance Refunding) Bonds.</p> |

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Series 2015 Bond proceeds will assist **Noble Network of Charter Schools** ("**Noble**" or the "**Borrower**") in providing a portion of the funds necessary to do any or all of the following: (i) advance refund in their entirety the Authority's \$11,250,000 (original principal amount) Education Revenue Bonds (Illinois Charter Schools Project -- Noble Network of Charter Schools), Series 2006C (the "**Series 2006 Bonds**"); (ii) advance refund in their entirety the Authority's \$13,620,000 (original principal amount) Education Revenue Bonds (Illinois Charter Schools Project -- Noble Network of Charter Schools), Series 2007A (the "**Series 2007 Bonds**" and together with the Series 2006 Bonds, the "**Refunded Bonds**"); (iii) if deemed necessary or desirable, pay a portion of the interest on the Series 2015 Bonds; (iv) if deemed necessary or desirable, establish a debt service reserve fund for the benefit of the Series 2015 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Refunded Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

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 21-member Board of Directors (see page 7).

Background: The Noble Network of Charter Schools prepares low-income students with the scholarship, discipline, and environment necessary to succeed in college and lead exemplary lives. The School’s Board views Noble’s mission as serving 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 have 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, has resulted in dramatically improved academic performance.

In 2005, Noble initiated a series of expansion projects to enable the Network to serve more students. Noble’s expanded its Network with two additional campuses, Rauner College Prep and Pritzker College Prep, in 2006, serving 400 students. By 2008, Noble had 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 opened two new campuses in August 2012 including DRW Trading College Prep (serves Chicago’s West Side in Homan Square) and Noble Auburn Gresham College Prep (located in the Auburn Gresham community on the far South Side), now known as Hansberry College Prep. In August 2013, Noble opened Baker College Prep and Butler College Prep (formerly known as Pullman College Prep). ITW David Speer Academy opened in August 2014 in a temporary location while the construction of the new building is completed on the northwest side of Chicago. Students will be moving in to the new school at the end of February 2015. The Noble Academy also opened in August of 2014 in a temporary site while its permanent location is identified.

In 2009, three Noble campuses had junior students who took the ACT and all three campuses ranked first through third, respectively, among Chicago’s non-selective public schools. Subsequently in 2010, 2011 and 2012 Noble’s five, seven and nine campuses with juniors respectively, were all within the top ten highest performing schools. Noble has continued this performance in the years since with eight of ten campuses ranked among the top ten schools based on ACT performance in 2014.

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, again through June 30, 2014 and again through June 30, 2019.

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 (and/or common 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 pledge will be held in a trustee account that must be invested in funds that meet certain criteria and any interest earnings on the account must be returned to IFF.

As proposed, the IFA Series 2015 Bonds will be credit enhanced by an IFF-funded debt service reserve fund.

ECONOMIC DISCLOSURE STATEMENT

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

Contact: Joseph Drago, Chief Financial Officer: (T) 312-450-8932; email: jdrago@noblenetwork.org

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

Site Locations: The Series 2006 Bonds were issued (a) to pay or refinance costs of expansion and renovation of the Borrower's charter schools located at 1337 West Ohio Street, Chicago, Illinois (now known as Rauner College Prep), and at 4131 West Cortland Avenue, Chicago, Illinois (now known as Pritzker College Prep) (each owned by the Catholic Bishop of Chicago (the Archdiocese of Chicago) and leased to the Borrower), including, without limitation, costs of life safety improvements, classrooms, science and computer laboratories, installation of elevator service and renovations to existing restrooms, locker rooms, shower rooms and kitchens, and, and (b) to refund the City of Chicago, Illinois Variable Rate Demand Revenue Bonds (Noble Street Charter School Project), Series 1999 which were issued to finance costs of the construction, renovation and equipping of the Borrower's charter school located at 1010 - 1014 North Noble Street and 1410 Augusta Boulevard in Chicago, Illinois (now known as Noble Street College Prep), owned by the Northwestern University Settlement Association and leased to the Borrower.

The Series 2007 Bonds were issued to pay or refinance costs of (a) the renovation and equipping of the Borrower's charter school located at 1444 to 1460 West Superior Street and 739 North Armour, Chicago, Illinois (now known as Golder College Prep) owned by the Catholic Bishop of Chicago and leased to the Borrower, (b) the acquisition, renovation and equipping of the Borrower's charter school located at 3645 West Chicago Avenue, Chicago, Illinois (now known as Rowe Clark Math and Science Academy) owned and operated by the Borrower and (c) miscellaneous capital improvements and equipment purchases at Pritzker College Prep, Rauner College Prep and Noble Street College Prep.

Project name: IFA Education Revenue Bonds (Illinois Charter Schools Project – Noble Network of Charter Schools), Series 2015

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. Ron Manderschied, President; Phone: 773-278-7471 |
| Rauner College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Ms. Betsy Bohlen, Director, Department of Financial Services; Phone: 312-534-8157 |
| Golder College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Ms. Betsy Bohlen, Director, Department of Financial Services; Phone: 312-534-8157 |
| 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 |
| Gary Comer Middle School | Chicago Board of Education; 42 West Madison St., Chicago, IL 60602; Phone: 773-553-1600 |
| UIC College Prep | Chicago Board of Education; 42 West Madison St., Chicago, IL 60602; Phone: 773-553-1600 |
| Muchin College Prep | Stonewater One North State Street Funding, LLC, a Delaware limited liability company, and an affiliate of Stonewater Funding LLC, 1345 Avenues of the Americas, New York, NY 10105; Phone: 312-263-1433 |
| Chicago Bulls College Prep | Chicago Board of Education; 42 West Madison St., Chicago, IL 60602; Phone: 773-553-1600 |
| Johnson College Prep | Chicago Board of Education; 42 West Madison St., Chicago, IL 60602; Phone: 773-553-1600 |
| Hansberry (Auburn Gresham) College Prep | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Ms. Betsy Bohlen, Director, Department of Financial Services; Phone: 312-534-8157 |
| DRW College Prep | Foundation for Homan Square, an Illinois not-for-profit corporation, (formerly The Homan-Arthington Foundation), c/o Shaw Development Company, Agent, 2211 York Road, Suite 207, Oak Brook, IL 60523; Phone: 630-990-8990 |
| Baker College Prep | Chicago Board of Education; 42 West Madison St., Chicago, IL 60602; Phone: 773-553-1600 |
| Butler College Prep | Chicago Board of Education; 42 West Madison St., Chicago, IL 60602; Phone: 773-553-1600 |
| ITW David Speer Academy | Archdiocese of Chicago; 835 N. Rush Street, Chicago, IL 60611; Contact: Ms. Betsy Bohlen, Director, Department of Financial Services; Phone: 312-534-8157 |
| The Noble Academy | 17 N. State LLC, an Illinois limited liability company, c/o Mr. Allen B. Glass (Agent), 55 East Jackson Blvd., Suite 500, Chicago, IL 60604; Members: Mr. Gerald Lee Nudo and Laurence H. Weiner, 55 East Jackson Blvd., Suite 500, Chicago, IL 60604; Phone: 312-884-5488 |

Tenant
(Sub-lessee)
at Noble
Property:

| School Facility | Sublessees (i.e., subleasing from Noble) |
|------------------|---|
| DRW 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), 2225 W. Washington, Suite 1010, Chicago, IL 60601, 312-442-9076 |

Board of
Directors:

John Butler
Chairman, Cottingham and Butler, Inc.

Jonathan Reinsdorf
President, FroogaliT, LLC

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

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

Guy Comer
President, Comer Science & Education
Foundation

Jean Sheridan
Retired Executive Vice President,
Northern Trust

John Harris
Managing Partner, Wishbone
Management, LP
Analyst, Ruane, Cunniff & Goldfab, Inc.
Vice Chairman of the Board, Noble

Barbara Speer

Steve Sullivan
Vice President, NAI Hiffman

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

Bryan Traubert, M.D.
President, Chicago Park District

Harvey Medvin
Retired EVP and CFO, Aon Corporation

Menno Vermeulen
Partner, LSV Asset Management

Michael Milkie
CEO and Superintendent, Noble

David Weinberg
Founder & President, Illinois Network of
Charter Schools

Anne Mueller
Community Leader

Jennifer Wilson
Partner, DRW Trading Group

Allan Muchin
Chairman Emeritus, Katten Muchin
Rosenman
Chairman of the Board, Noble

Martin Nesbitt
Co-CEO, Vistria Group

Nancy Golder Northrip
Director, Golder Family Foundation
Owner, Ultimate Gymnastics

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

PROFESSIONAL & FINANCIAL

| | | | |
|----------------------------------|----------------------------------|-------------|------------------------------------|
| Borrower's Counsel: | Cahill Law Office | Chicago, IL | Kevin Cahill |
| Borrower's Financial Advisor: | Longhouse Capital Advisors | Chicago, IL | Michael Boisvert, Lindsay Wall |
| Auditor: | Ostrow Reisin Berk & Abrams Ltd. | Chicago, IL | |
| Bond Counsel: | Greenberg Traurig LLP | Chicago, IL | Matt Lewin |
| Underwriter: | B.C. Ziegler & Company | Chicago, IL | Scott Rolfs |
| Underwriter's Counsel: | Thompson Coburn LLP | Chicago, IL | Tom Smith |
| Trustee: | Amalgamated Bank | Chicago, IL | Laura Ryan |
| IFA Counsel: | Burke Burns & Pinelli Ltd. | Chicago, IL | Mary Pat Burns, Stephen Welcome |
| IFA Financial Advisor: | Sycamore Advisors LLC | Chicago, IL | Melanie Shaker |

LEGISLATIVE DISTRICTS

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

Congressional: 2
State Senate: 13
State House: 26

Butler College Prep
(821 East 103rd Street, Chicago)

Congressional: 2
State Senate: 17
State House: 34

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

Congressional: 7
State Senate: 5
State House: 10

DRW 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 College Prep
(8748 S. Aberdeen St., Chicago)

Congressional: 1
State Senate: 14
State House: 27

ITW David Speer Academy
(5231 W. Grand Ave., Chicago)

Congressional: 4
State Senate: 2
State House: 3

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

Congressional: 5
State Senate: 2
State House: 4

Pritzker College Prep
(4131 W. Cortland, 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

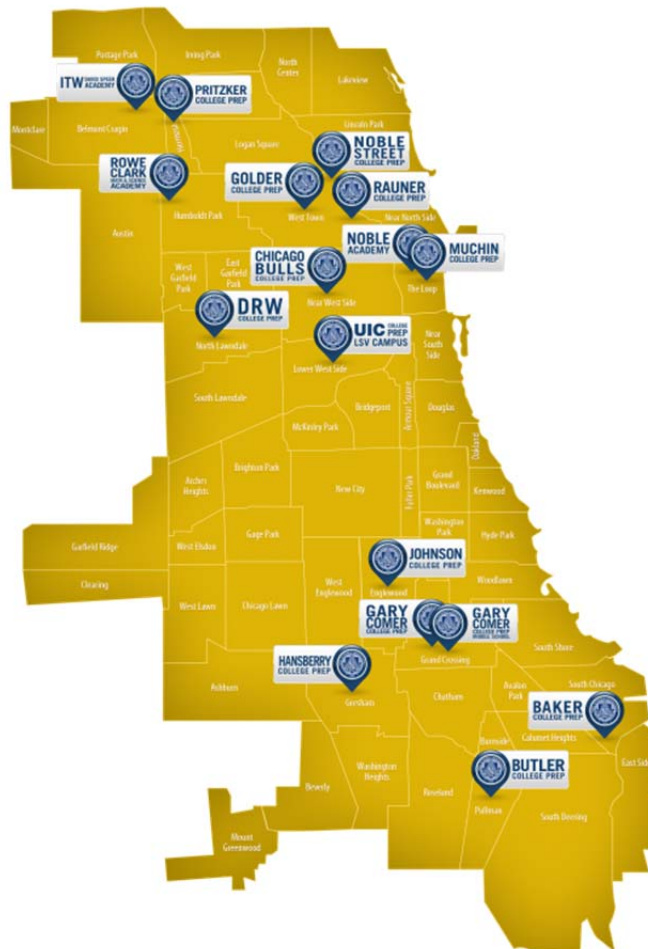
The Noble Academy
(17 N. State St., 6th Floor, Chicago)

Congressional: 7
State Senate: 3
State House: 5

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

Congressional: 7
State Senate: 5
State House: 9

Noble is comprised of a growing network of high quality public high schools located in Chicago's communities of greatest need. ITW David Speer Academy opened in August of 2014 in a temporary location while the construction of the new building is completed on the northwest side of Chicago. Students will be moving in to the new school at the end of February 2015. The Noble Academy also opened in August of 2014 in a temporary site while its permanent location is identified. As of Fall 2014, Noble will operate 16 high schools and 1 middle school serving more than 10,000 students from more than 70 Chicago communities.



March 10, 2015

\$45,000,000
CHF-Cook, L.L.C.

| | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|-------------------|-------------------------------|-----------------------------|-----------------|--|--------------|--|-----------|--------------|------------------|--------------|-------------|------------------|-------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by CHF-Cook, L.L.C. (“CHF” or the “Borrower”), an Alabama limited liability company, to (i) finance the cost of the acquisition, construction, furnishing, and equipping of an approximately 110-unit, 440-bed apartment-style student housing facility (the “Project”), (ii) fund interest on the Bonds for during construction on the Bonds for a period requested by the Borrower, (iii) fund a debt service reserve fund for the benefit of the Bonds, and (iv) pay expenses incurred in connection with the issuance of the Bonds, including bond insurance, all as permitted by the Illinois Finance Authority Act (and collectively, the “Financing Purposes”).</p> <p>The Project will be located on Northeastern Illinois University’s (“NEIU’s” or the “University’s”) main campus in Chicago, Illinois.</p> <p>The Project will be owned by CHF-Cook, L.L.C, an affiliate of Collegiate Housing Foundation (“CHF”), a 501(c)(3) corporation based in Fairhope, AL. The Project will be developed and constructed by an affiliate of American Campus Communities, Inc. (“ACC”) of Austin, TX. (American Campus Communities, Inc. is a publicly-traded real estate investment trust (“REIT”) with share traded under the “ACC” ticker on the New York Stock Exchange.) Day-to-day operations will be managed by an affiliate of ACC that undertakes development consulting and property management services for student housing properties owned by unrelated third-party entities (i.e., entities other than ACC or its affiliates).</p> <p>Program: 501(c)(3) Revenue Bonds (Student Housing Revenue Bonds) Extraordinary Conditions: None. No IFA funds at risk. <i>See NEIU Support Covenant – p. 3.</i></p> | | | | | | | | | | | | | | | | | | | |
| BOARD ACTION | Preliminary Bond Resolution | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | Not applicable. This is the first time this matter has been presented to the IFA Board of Directors. | | | | | | | | | | | | | | | | | | | |
| JOB DATA | N/A (NEIU-669 faculty; 891 staff) | Current jobs | 5-8 | New jobs projected | | | | | | | | | | | | | | | | |
| | N/A | Retained jobs | 115 [Preliminary] (16 months) | Construction jobs projected | | | | | | | | | | | | | | | | |
| BORROWER DESCRIPTION | <ul style="list-style-type: none">• Type of entity: CHF-Cook, L.L.C. is an Alabama limited liability company formed in November, 2014 for the sole purpose of developing, owning, and operating the subject student housing project located at Northeastern Illinois University. (CHF was selected pursuant to a Request-For-Proposal issued by NEIU in November 2013 to construct and finance the Project as part of a design-development-management team led by American Campus Communities, Inc.)• Location: Chicago/Cook/Northeast | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none">• The Bonds will be sold based on a direct rating of the Project and underwritten by RBC Capital Markets (“RBC” or the “Underwriter”). The Underwriter anticipates a low investment grade rating on the Bonds (e.g., “BBB-” from S&P).• The Bonds will be sold on the basis of the underlying direct rating only of CHF-Cook, L.L.C. (i.e., the Project) and <i>will not</i> be an obligation of Northeastern Illinois University. The project ownership and financing structure is very similar to 3 prior IFA financings of CHF-owned-and-financed student housing facilities developed at state universities including (1) Northern Illinois University (2 projects in 2006 and 2011, respectively) and (2) Illinois State University (2011). | | | | | | | | | | | | | | | | | | | |
| STRUCTURE | <ul style="list-style-type: none">• Publicly offered tax-exempt, fixed rate bonds with an anticipated term not-to-exceed 32 years.• Security for the Bonds will include revenues collected by NEIU on behalf of the Borrower and deposited with the Trustee, along with various reserve funds and accounts held under the Trust Indenture (including a Debt Service Reserve Fund, and a Repair and Replacement Reserve).• The Debt Service Reserve Fund will be fully funded at closing in an amount equal to Maximum Annual Debt Service on the Bonds. Deposits to the Repair and Replacement Fund will be made on an annual basis from Project cash flows in an initial amount of \$175 per bed per year.• The Borrower will execute a Security Agreement encumbering all of the Borrower’s rights, title and interest in and to the land and improvements; and an Assignment of Contract Documents, assigning the Borrower’s interest in the development agreement, construction contract and related documents. | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table><tr><td>Sources:</td><td></td><td>Uses:</td><td></td></tr><tr><td>IFA Bonds</td><td>\$43,000,000</td><td>Project/Reserves</td><td>\$44,077,132</td></tr><tr><td>NEIU Equity</td><td><u>2,000,000</u></td><td>Costs of Issuance</td><td><u>922,868</u></td></tr><tr><td>Total</td><td><u>\$45,000,000</u></td><td>Total</td><td><u>\$45,000,000</u></td></tr></table> | | | | Sources: | | Uses: | | IFA Bonds | \$43,000,000 | Project/Reserves | \$44,077,132 | NEIU Equity | <u>2,000,000</u> | Costs of Issuance | <u>922,868</u> | Total | <u>\$45,000,000</u> | Total | <u>\$45,000,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | |
| IFA Bonds | \$43,000,000 | Project/Reserves | \$44,077,132 | | | | | | | | | | | | | | | | | |
| NEIU Equity | <u>2,000,000</u> | Costs of Issuance | <u>922,868</u> | | | | | | | | | | | | | | | | | |
| Total | <u>\$45,000,000</u> | Total | <u>\$45,000,000</u> | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2015**

Project: CHF-Cook, L.L.C.

STATISTICS

| | | | |
|--------------|-------------------------|------------|-------------------------------------|
| IFA Project: | N-NP-TE-CD-8728 | Amount: | \$45,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton and Brad Fletcher |
| Location: | Chicago | County/ | |
| | | Region: | Cook/Northeast |

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

To finance the design, development, construction and equipment of an approximately 440-bed student residence facility to be developed on land under a ground lease from Northeastern Illinois University and located on the University's main campus in Chicago, Illinois. The Project will also include a 4,600 SF community center that will feature a fitness center, social lounge, study lounge, management and resident life offices, mailroom, and other amenities (collectively, the "Project"). This project will provide NEIU with its first on-campus housing facility.

The Project will be owned by an affiliate of Collegiate Housing Foundation, a 501(c)(3) corporation based in Fairhope, AL that is engaged in developing 501(c)(3)-owned student housing projects nationally. The Project will be developed and constructed by an affiliate American Campus Communities, Inc. of Austin, TX. Additionally, upon completion, day-to-day operations will be managed by an affiliate of ACC on behalf of the University.

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

VOLUME CAP

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

SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

| Sources | | Uses: | |
|--------------|---------------------|---------------------------|----------------------|
| IFA Bonds | \$ 43,000,000 | Project Costs | \$ 37,833,236 |
| | | Capitalized Interest | 3,607,083 |
| | | Debt Service Reserve Fund | 2,636,813 |
| NEIU Equity | \$ 2,000,000 | Costs of Issuance | 922,868 |
| | | | |
| Total | \$45,000,000 | Total | \$ 45,000,000 |

Note: The amounts reported in the table above are preliminary and subject to change. The Capitalized Interest Fund will be established at an amount sufficient to fund interest expense to February 2017 (i.e., and cover a period 6

months beyond the anticipated August 2016 project completion date, as customary). The Debt Service Reserve Fund will be capitalized at an amount sufficient to cover a minimum of one year's Maximum Annual Debt Service payments.

JOBS

| | | |
|---|---------------------|-------------------------------|
| Current employment: N/A – New Project (NEIU: 669 faculty; 891 Staff) | Projected new jobs: | 5-8 |
| Jobs retained: N/A | Construction jobs: | [115 Preliminary] (16 months) |

FINANCING SUMMARY

Bondholder's Security/

Credit Ratings: The Borrower and RBC Capital Markets LLC contemplate obtaining a direct rating on the Bonds for sale to investors and currently anticipate that the Bonds will be assigned a low investment grade rating (e.g., "BBB-") from Standard and Poor's.

Under this "direct rating" structure, security for the Bonds will include Revenues collected by the University on behalf of the Borrower and deposited with the Trustee and funds and accounts held under the Trust Indenture including (1) Construction Fund and Debt Service Fund/Capitalized Interest Account during the construction phase and (2) a Debt Service Reserve Fund and Repair and Replacement Fund during the operating phase.

The Debt Service Reserve Fund will be fully funded at closing in an amount equal to maximum annual debt service on the Bonds. Additionally, the Repair and Replacement Fund will be capitalized on an annual basis from project cash flows in an initial amount of \$175 per bed per year (and escalating annually).

As presently contemplated, the Borrower would be required to execute the following documents: (1) a Security Agreement, encumbering Project Revenues, equipment and inventory; (2) a Leasehold Mortgage and Assignment of Rents and Leases, encumbering all of the Borrower's rights, title and interest in and to the land and improvements; and (3) an Assignment of Contract Documents, assigning the Borrower's interest in the development agreement, construction contract and other related agreements.

Limited

Obligations: The Bonds will be limited obligations of CHF-Cook L.L.C., the Illinois Finance Authority, the State of Illinois, and the University, and will be payable only from revenues of the Project and secured by (i) a Leasehold Mortgage on the land and improvements, (ii) a collateral assignment of Rents and Leases, and (iii) a Security Agreement. Pursuant to terms of the Ground Lease, CHF-Cook, L.L.C. will be subject to a rate covenant to revise rates, fees charges as necessary so that Revenue Available for Fixed Charges will be sufficient to meet the requirements of the Loan Agreement.

NEIU Support

Covenant: NEIU will execute a financial support covenant that will assure minimum 1.0x times debt service coverage on the Bonds. Additional details will be reported, as described in the Preliminary Official Statement, when this project returns for consideration of a Final Bond Resolution.

Bonds will Be Non-Recourse to NEIU, IFA, and the State of Illinois:

The Bonds will not constitute a debt of NEIU, IFA, the State of Illinois, or any other political subdivision of the State and payment of the Bonds (and any interest thereon) will not be supported by the taxing powers, full faith and credit, or a moral obligation of the State of Illinois or any political subdivision.

Underlying
NEIU Rating
(Informational
Only on this
Project
Financing):

Again, the proposed CHF-Cook, L.L.C. Bonds will be rated strictly as a project financing and will not constitute a debt of the University. Accordingly, this disclosure of the University's underlying credit rating is informational. The University's underlying long-term rating is "A-" from S&P, as assigned in November 2014, in connection with the University's \$15,160,000 Series 2014 Universities Facilities System Revenue Bonds that were issued in December 2014.

Structure/
Interest Rate:

Again, the expectation is that the Bonds would obtain a low investment grade rating (e.g., BBB-) from S&P and will be sold on a fixed rate basis. Interest rates will be based on market conditions at the time of closing.

Interest will be fully capitalized through February, 2017 (i.e., a date six months subsequent to the anticipated August 2016 substantial completion date of the Project).

Maturity: 32 years (not-to-exceed)

Anticipated
Closing Date: May 2015

Rationale: The proposed financing and project will provide for the construction of approximately 440 beds of new student housing on the campus of Northeastern Illinois University ("NEIU") as included in both the University's 2008 Strategic Plan and the University's 2015 Strategic Plan update.

The Project will provide an affordable, on-campus housing option for NEIU's students and will have a positive impact on the surrounding community by enhancing the University's ability to attract and retain students, and in turn provide additional economic activity in the area. In the short-term, the Project will provide a source of construction related jobs. Additionally, this project is expected to contribute to the general diversity and global character of the student body, bringing additional student diversity by (i) drawing non-commuter students from the larger region (e.g., Suburban Chicago; SE Wisconsin, and NW Indiana) who have not considered NEIU in the past and (ii) international students who are attracted to NEIU in part due to the nearly 30 agreements that NEIU has with higher education institutions around the world.

NEIU issued a Request for Proposal for the Design, Development and management of Student Housing in November 2013. NEIU's objective was to engage third party professionals to finance and construct university student housing facilities according to NEIU design specifications. The proposed financing will enable NEIU to complete financing and construction of these student housing facilities without issuing its own debt. (See "Background on NEIU Procurement on p. 6.)

BUSINESS SUMMARY

Background: **CHF-Cook, L.L.C.** (the "LLC" or the "Borrower") is an Alabama Limited Liability Company formed in November 2014 for the sole purpose of owning and developing the subject student housing facility for **Northeastern Illinois University** ("NEIU" or the "University").

The sole Member of the Borrower is the **Collegiate Housing Foundation** (the "Foundation"), an Alabama not-for-profit corporation established in 1996. The Foundation received its 501(c)(3) Determination Letter from the IRS in 1997.

The Foundation is governed by a 6-member Board of Trustees (see Economic Disclosure Statement section on pages 8-9 for further information).

Background on

the University: Originally founded in Blue Island, IL in 1867 as Cook County's first teacher training institution, today Northeastern Illinois University is a public, comprehensive university primarily serving the Chicago metropolitan area with a commitment to preparing a diverse community of students for leadership and service. The University serves both a traditional cohort of undergraduate students and also provides extensive opportunities for adult learners and innovations in non-traditional education alternatives.

The University's 67 acre main campus is located on the Northwest Side of Chicago in a residential area. The campus is located approximately 8 miles NW of the Chicago Loop and approximately 9 miles east of O'Hare International Airport. The main campus consists of 18 buildings totaling approximately 1 million SF. The University also has satellite campuses including (1) its new El Centro campus that opened in Fall 2014 (3390 N. Avondale, Chicago - Avondale), (2) the Jacob Carruthers Center for Inner City Studies (700 E. Oakwood, Chicago - Grand Boulevard), (3) the Center for College Access and Success (770 N. Halsted, Chicago - West Town), and (4) the University Center of Lake County in Grayslake (adjacent to the College of Lake County), which enhance NEIU's ability to serve the entire metropolitan area.

NEIU also has more than 75 student organizations on campus including a wide mix of academic, social, cultural, religious, and community service organizations. NEIU's Student Union provides the location for campus dining, study lounges, meeting rooms, and events while the University's Campus Recreation office coordinates clubs and intramural sports. These campus amenities enhance student life and will further support the University's decision to provide on-campus housing.

NEIU is among the most affordable public universities in Illinois, with full-time tuition costs of approximately \$3,500 per semester for in-state undergraduate students (12 credit hours). A tuition rate guarantee allows tuition rates to remain the same for four consecutive years for newly enrolled students. (Non-resident tuition is set at twice the in-state resident rate.)

University
Enrollment:

As of Fall 2014: The University's enrollment was comprised of approximately 10,275 students, with 57% of the student body female and 43% male, with 106 countries represented in its student body. The University offers more than 80 undergraduate and graduate programs in education, business, the arts, and sciences. The University employs 891 staff and has 669 faculty (and offers students a 16:1 Student to Faculty Ratio).

According to the University, student enrollment at NEIU has experienced slight but consistent declines over the past five years that the University administration attributes to three primary factors:

1. Higher graduation rates for enrolled students: NEIU has graduated its highest number of students, reflecting the Strategic Plan's focus on student success. According to the University, these graduations have reduced headcount more rapidly than in prior years.
2. Demographic Trend: The number of high school graduates has been declining both nationally and within the Chicago metropolitan area, thereby increasing competition for a smaller pool of new, first-year applicants.
3. Student retention: The University reports that student retention from first to second year has declined modestly. The University attributes this decline to the depressed nationally economy and other external factors.

In keeping with initiatives outlined in NEIU's 2008 Strategic Plan, the University released a Request for Proposal for the Design, Development and Management of Student Housing in November 2013. Ultimately through the RFP, NEIU sought to find a partner to develop a comprehensive, multi-phased University student housing program intended to include the development of housing both on its main campus as well as on property to be acquired by the University adjacent to the main campus.

Background on
NEIU

Procurement: As a result of its procurement process, the University has chosen to partner with veteran student housing developer American Campus Communities (“ACC” or the “Developer”) to develop its first endeavor in on-campus housing. CHF – Cook, L.L.C. (a limited liability company of which Collegiate Housing Foundation is the sole member) in coordination with the University, and under agreements with the Developer, proposes to finance the design, development, construction and equipment of a 110-unit, 440-bed apartment-style student housing community to benefit students attending the University (the “Project”).

Description
of the
Controlling Project
Owner of CHF-Cook
(i.e., Manager
or Managing
Member):

The **Collegiate Housing Foundation’s** mission is to assist college and universities by financing, owning, and operating student housing facilities on or near their campuses.

Since its founding, the Foundation and its special purpose project affiliates own 44 student housing projects in 22 states, with aggregate Project development costs of over \$1.5 billion.

The Collegiate Housing Foundation develops and finances each project as a stand-alone project-based financing. CHF forms a special purpose entity to serve as the Borrower and Owner of the subject student housing facilities to be developed. The sponsoring college/university benefits since the project can potentially be financed on a revenue basis by prospective users.

As proposed, CHF-Cook, L.L.C. will lease the ground for the underlying project from NEIU. The Facility will be financed with proceeds of a tax-exempt bond issue and is mortgaged as security for the Bondholders (i.e., a leasehold mortgage). Upon completion, an affiliate of American Campus Communities will manage day-to-day operations of the Project. At such a time as the proposed Bonds are paid in full, the mortgage and ground lease will be cancelled and the Foundation’s interest in the facility will be conveyed (i.e., donated) to Northeastern Illinois University.

Prior Bond Issues
Involving CHF
Affiliates, State
Universities,
and IFA:

IFA has previous experience with the Foundation. In 2006, IFA issued \$16.0M of 501(c)(3) Revenue Bonds for CHF-DeKalb, L.L.C., a special purpose entity that was formed by the Foundation to develop, construct, and finance a 120-unit replacement student apartment facility (“Northern View Apartments”) at **Northern Illinois University (“NIU”)** in DeKalb.

IFA’s most recent experience with the Foundation was in connection with separate bond issues in early 2011 involving development of new undergraduate student housing facilities at (i) Northern Illinois University (CHF-DeKalb II, L.L.C.) and (ii) Illinois State University in Normal (CHF-Normal, L.L.C.). The \$132.2M IFA Series 2011 Bonds CHF-DeKalb II Project financed the construction of a new 1008-bed facility at NIU, along with the current refunding of the outstanding balance of the IFA Series 2006 Bonds (the proceeds of which had been used to finance a 120-unit/240-bed on-campus apartment building for families). The \$59.6M IFA Series 2011 Bonds (CHF-Normal) project financed the construction of replacement housing at Illinois State University (228 units/896-beds).

All payments relating to all IFA Bonds issued in connection with all 3 CHF-owned student housing facilities at NIU and ISU have been current and paid as scheduled. The CHF-DeKalb II, LLC (NIU Project) bonds are rated currently rated Baa3/BBB (Moody’s affirmed 4/16/2013; S&P

affirmed 5/24/2012) while the CHF-Normal, LLC (ISU Project) are currently rated Baa3/BBB- (Moody's affirmed 4/18/2013; S&P affirmed 4/12/2012).

As with the subject project under development involving NEIU, both Northern Illinois University and Illinois State University engaged American Campus Communities (and CHF) via a Request-for-Proposal procurement process to develop, finance, and construct these privatized student housing projects. (As with the proposed NEIU project, the 2006 and 2011 NIU projects and the 2011 ISU project were constructed on sites owned by the respective universities pursuant to ground lease agreements on each site.)

Description
of the
Developer:

American Campus Communities, Inc. ("ACC" or the "Company") was founded in 1993, is based in Austin, TX and has been publicly traded Real Estate Investment Trust ("REIT") on the New York Stock Exchange (NYSE Ticker: ACC) since 2004. ACC focuses on developing and owning student housing as its sole, core business. **ACC SC Development, LLC** (the "Developer" or "ACC SC") a Delaware Limited Liability company, is an indirect wholly owned subsidiary that is responsible for all third party development projects undertaken by ACC.

Since 1996, ACC has developed student housing properties (with a cost basis exceeding \$4.6 billion) for its own account and its university clients and has acquired in excess of \$4.9 billion in student housing assets. ACC has developed or been awarded the development of 102 privatized student housing communities, consisting of more than 65,600 beds. The Company has designed and programmed a full range of contemporary student communities including modern-day residence halls (traditional and full-service), various styles of apartments, as, well as higher density mid- and high-rise communities.

Each student housing development project that the Company develops has a dedicated ACC construction manager assigned to it responsible for scheduling periodic on-site visits with the University and general contractor.

According to ACC's management, ACC has never missed a Fall occupancy target completion date or exceeded an approved development budget on any student housing project it has developed.

In 2013, Forbes magazine named American Campus Communities, Inc. one of the magazine's "Most Trustworthy Companies" in 2013.

Please see www.americancampus.com for more additional information.

NEIU's RFP: NEIU engaged American Campus Communities pursuant to a Request for Proposal procurement as required under Illinois law to develop the subject facility. ACC engaged the Collegiate Housing Foundation, in turn, to be the third-party property owner. Due to CHF's status as a 501(c)(3) entity (and the underlying government-purpose use by the University for student housing), ACC's bid to develop the subject project involving CHF enabled ACC to bid the project based on a development cost basis reflecting qualification for tax-exempt financing, thereby enabling lower-cost financing for the subject project.

In addition to engaging CHF a member of the development team, ACC has engaged Weis Builders, Inc. to serve as the General Contractor and Solomon Cordwell Buenz as the Architect. Notably, ACC previously engaged Weis Builders, Inc., and Solomon Cordwell Buenz to serve as the General Contractor and Architect, respectively, in connection with the CHF-Normal, L.L.C. project financing.

Overall, Weis Builders has completed over 45 student housing projects totaling over 31,000 beds while Solomon Cordwell Buenz has served as architect on four on-campus development projects with American Campus Communities totaling over 3,500 beds (including Illinois State University) and has designed on-campus academic buildings at major universities nationally.

ACC affiliate will
serve as Property
Manager:

ACC SC Development, LLC (or another ACC affiliate) will actively manage day-to-day operations at the property and will work with the University to provide residential life services to residents. Additionally, NEIU will enter into a Ground Lease with CHF-Cook, L.L.C. and receive surplus cash flows after the payment of operating expenses, debt service, and the funding of the Replacement Reserve. Ownership of the Project will be transferred to NEIU at the earlier date of expiration of the Ground Lease or upon repayment of the Bonds.

From 2005-2013, ACC-managed properties have posted average annual occupancy rates of approximately 98%.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be issued on behalf of CHF-Cook, L.L.C. (the “**Borrower**”), a single member limited liability company organized and existing under the laws of the State of Alabama, to provide the Borrower with the funds necessary to (i) finance the cost of the acquisition, construction, furnishing and equipping of an approximately 110-unit, 440-bed apartment style student housing facility (the “**Project**”), (ii) fund interest on the Bonds [during construction] for a period requested by the Borrower, (iii) fund a debt service reserve fund for the benefit of the Bonds, if requested by the Borrower and (iv) pay expenses incurred in connection with the issuance of the Bonds, including bond insurance, if requested by the Borrower, and all as permitted under the Illinois Finance Authority Act, as amended (and collectively, the “**Financing Purposes**”).

The Project (a) will be operated by ACC SC Management LLC, a Delaware limited liability company, and (b) is located on land owned by Northeastern Illinois University (the “**University**”) and to be leased to the Borrower. The Project will be located on the current site of parking lot H, on the Access Road that constitutes the western boundary of the main campus of the University with an address of 5500 N. St. Louis Avenue, Chicago, Illinois 60625, and with the residence hall north wall to be located approximately 60-70 feet south of the south wall of the parking ramp facility adjacent to parking lot H.

The Project will be owned by CHF-Cook, L.L.C., a single member limited liability affiliate of Collegiate Housing Foundation (the “**Foundation**”), a 501(c)(3) corporation based in Fairhope, AL. The Foundation is engaged in owning 501(c)(3)-owned student housing projects nationally in support of colleges and universities nationally. The Project will be developed and constructed by an affiliate **American Campus Communities, Inc.** of Dallas, TX (as “**Developer**”). Day-to-day operations will be managed by an affiliate of American Campus Communities, Inc. (the “**Property Manager**”) on behalf of the University.

Estimated project costs are as follows (preliminary, subject to change):

| | |
|---|----------------------------|
| Construction & Equipping (with contingency) | \$36,179,627 |
| Title/Closing Costs/Initial Operations | 505,740 |
| Project-Related Soft Costs (Acctg., Legal, Ins., Feas. St.) | <u>1,147,869</u> |
| Total New Money Project Costs | <u>\$37,833,236</u> |

ECONOMIC DISCLOSURE STATEMENT

Applicant: CHF-Cook, L.L.C. (c/o Mr. Leeman Covey, Collegiate Housing Foundation, 411 Johnson Ave., Suite B, P.O. Box 1385, Fairhope, AL 36533-1385; Ph.: 251-928-9340)
e-mail: lcovey@collegiatehousing.org

Applicant

Website: www.collegiatehousing.org

Project Name: NEIU Student Housing

Project Location: Northeastern Illinois University (main campus – 5500 N. St. Louis), Chicago (Cook County), IL 60625-4699

Organization: Alabama Limited Liability Company (November, 2014)

- Member: Collegiate Housing Foundation: 100%
- Board of Trustees
 - Mr. Leeman H. Covey, President (former VP of Finance, Springhill College, Mobile, AL from 1990-1997; Direct of Fiscal Affairs, City of Mobile, AL 1977-1990)
 - Mr. John B. Hicks, Vice President (former Secretary of the Board of Trustees of the University of Alabama System)
 - Dr. John Brooks Slaughter, Treasurer
 - The Honorable Jack Edwards, Secretary (Member, U.S. House of Representatives, 1965-1985)
 - Mr. Thomas M. Daly, Director
 - Ms. Linda Flaherty-Goldsmith, Director

Current
Property

Owner: Northeastern Illinois University is the current owner of the project site. The subject property will be ground leased by the Borrower from Northeastern Illinois University.

Project

Developer: **ACC SC Development LLC** is a Delaware limited liability company that is an indirect wholly owned subsidiary of American Campus Communities, Inc. (a publicly traded company: the NYSE Ticker Symbol is "ACC").

Shareholders of 5.0% or more (SEC ownership threshold) as pursuant to SEC disclosure included: (1) **FMR, LLC**, 245 Summer St., Boston, MA 02210, as an institutional holder (8.34% ownership interest as of 12/31/2014) and (2) **Capital Research Global Investors**, 333 S. Hope Street, Los Angeles, CA 90071, is an institutional holder (8.11% ownership interest as of 12/31/2014), and (3) **Vanguard Specialized REIT Index Fund**, 100 Vanguard Blvd., Malvern, PA 19355 is a mutual fund holder (with a posted 7.44% ownership interest as of 10/31/2014).

PROFESSIONAL & FINANCIAL

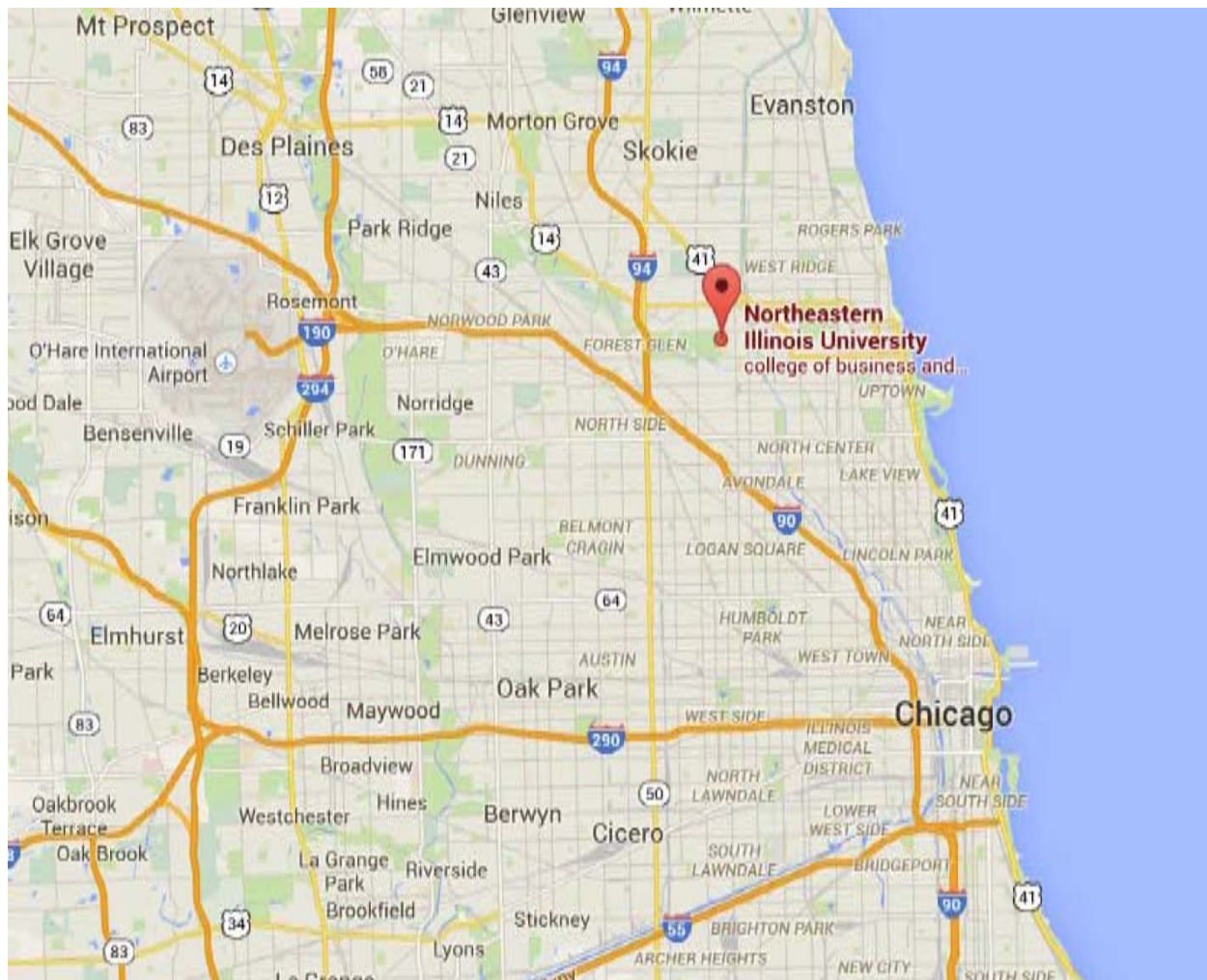
| | | | |
|---|--|----------------|--------------------------------|
| Borrower: | CHF-Cook, L.L.C., c/o Collegiate Housing Foundation | Fairhope, AL | Leeman Covey |
| Ground Lessor: | Northeastern Illinois University | Chicago, IL | |
| Auditor: | Wilkins Miller | Fairhope, AL | |
| Borrower's Counsel: | Hand Arendall, LLC | Mobile, AL | Ginger Gaddy |
| | Foley & Lardner, LLP | Chicago, IL | Heidi Jeffrey |
| Developer / Property Manager: | ACC SC Development LLC (c/o American Campus Communities, Inc.) | Austin, TX | Brian Winger |
| Developer's Counsel: | Glast, Phillips & Murray, P.C. | Dallas, TX | Craig Warner |
| Underwriter: | RBC Capital Markets, LLC | Baltimore, MD | Michael Baird, Sara Russell |
| Underwriter's Counsel: | Ballard Spahr LLP | Baltimore, MD | Teri Guarnaccia |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Andrea G. Bacon |
| Bond Trustee: | Regions Bank | Birmingham, AL | Lyn Cone |
| Bond Trustee's Counsel: | Tanner and Guin, LLC | Tuscaloosa, AL | J. Marland Hayes |
| Financial Advisor to NEIU (Informational): | Blue Rose Financial Group | Chicago, IL | John S. Vincent |
| Rating Agencies: | Moody's | New York, NY | Carlos Calderon |
| | Standard & Poor's | Dallas, TX | Biana Gaytan-Burrell |
| Architect: | Solomon Cordwell Buenz | Chicago, IL | Brett Boaz |
| General Contractor: | Weis Builders, Inc. | Chicago, IL | |
| Market Study: | Danter Company, LLC | Columbus, OH | |
| IFA Counsel: | Ice Miller LLP | Chicago, IL | Jim Snyder, Patra Geroulis |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | James Beck |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 5 |
| State Senate: | 8 |
| State House: | 15 |

PROJECT LOCATION

Northeastern Illinois University's main campus is located approximately 8 miles NW of the Chicago Loop and approximately 9 miles east of O'Hare International Airport as indicated in the map presented below.



March 10, 2015

\$315,000,000 Silver Cross Hospital

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------|--|-------------------|-----------------------------|-----------------------------|-----------------|--|---------------|--|------------|---------------|------------------|---------------|---------|------------|--------------|--|------------------|-----------|--------------|------------|--------------|-------------------|-------------------|------------------|--------------|-----------------------------|--------------|-----------------------------|
| REQUEST | <p>Purpose: Silver Cross Hospital is expected to use proceeds of the sale of the Series 2015C Bonds to (i) advance refund all of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Silver Cross Hospital and Medical Centers) (the “Prior Bonds”), currently outstanding in the principal amount of \$259,725,000; (ii) fund a Debt Service Reserve Fund, if required, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015C Bonds and the refunding of the Prior Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTION | Final Bond Resolution Voting Record (February 18, 2015) – Preliminary Bond Resolution – 10 Yeas; 0 Nays; ! Not Voting(Poole); 0 Abstain; 3 Absent (Gold, Lonstein, Tessler) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | 1,642 | Current FTE’s | N/A | New jobs projected | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1,642 | Retained FTE’s | N/A | Construction jobs projected | | | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none">• New Lenox (Will County)• Silver Cross Hospital (“SCH”) is a 501(c)(3) corporation established under Illinois law. Silver Cross is a 295-bed hospital located in New Lenox, Illinois, approximately 35 miles southwest of Chicago. SCH has a good reputation of providing a broad range of healthcare services, with substantial resources. Silver Cross has consistently gained market share and is the market share leader in its primary service area Silver Cross is located in Will County, one of the most rapidly growing counties in the country. The county has experienced explosive growth over the past 15 years and projections suggest that strong population growth will continue for the next 25 years. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none">• Silver Cross Hospital is currently rated BBB-/BBB+ (S&P/Fitch) (Recently reaffirmed in 2014) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| STRUCTURE | <ul style="list-style-type: none">• Fixed rate, tax-exempt bonds. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none">• Obligated Group; Secured by revenue pledge and mortgage on par with outstanding debt. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none">• No later than 10 years. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table><tr><td>Sources:</td><td></td><td>Uses :</td><td></td></tr><tr><td>Par Amount</td><td>\$302,160,000</td><td>Refunding Escrow</td><td>\$323,529,414</td></tr><tr><td>Premium</td><td>22,317,626</td><td>Debt Service</td><td></td></tr><tr><td>Accrued Interest</td><td>1,108,774</td><td>Reserve Fund</td><td>19,139,000</td></tr><tr><td>DSRF Release</td><td><u>20,410,500</u></td><td>Costs of Issuance</td><td><u>3,328,486</u></td></tr><tr><td>Total</td><td><u>\$345,996,900</u></td><td>Total</td><td><u>\$345,996,900</u></td></tr></table> | | | | Sources: | | Uses : | | Par Amount | \$302,160,000 | Refunding Escrow | \$323,529,414 | Premium | 22,317,626 | Debt Service | | Accrued Interest | 1,108,774 | Reserve Fund | 19,139,000 | DSRF Release | <u>20,410,500</u> | Costs of Issuance | <u>3,328,486</u> | Total | <u>\$345,996,900</u> | Total | <u>\$345,996,900</u> |
| Sources: | | Uses : | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Par Amount | \$302,160,000 | Refunding Escrow | \$323,529,414 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium | 22,317,626 | Debt Service | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accrued Interest | 1,108,774 | Reserve Fund | 19,139,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| DSRF Release | <u>20,410,500</u> | Costs of Issuance | <u>3,328,486</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$345,996,900</u> | Total | <u>\$345,996,900</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | The Credit Review Committee recommends approval | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2015**

Project: Silver Cross Hospital

STATISTICS

| | |
|---------------------------------|---------------------------------------|
| Project Number: H-HO-TE-CD-8724 | Amount: \$315,000,000 (not-to-exceed) |
| Type: 501(c)(3) Revenue Bonds | IFA Staff: Pam Lenane |
| Location: New Lenox, IL | County/ Region: Will/Northeast |

BOARD ACTION

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

VOTING RECORD

Voting Record (February 18, 2015) – Preliminary Bond Resolution – 10 Yeas; 0 Nays; ! Not Voting(Poole); 0 Abstain; 3 Absent (Gold, Lonstein, Tessler)

PURPOSE

Silver Cross Hospital is expected to use proceeds of the sale of the Series 2015C Bonds to (i) advance refund all of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Silver Cross Hospital and Medical Centers) (the “Prior Bonds”), currently outstanding in the principal amount of \$259,725,000; (ii) fund a Debt Service Reserve Fund; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015C 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 income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the Borrower’s interest expense.

VOLUME CAP

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

JOBS

| | |
|---------------------------------|-------------------------|
| Current employment: FTE’s 1,642 | Projected new jobs: N/A |
| Jobs retained: FTE’s 1,642 | Construction jobs: N/A |

ESTIMATED SOUCES AND USES OF FUNDS

| | | | |
|------------------|-----------------------------|----------------------|-----------------------------|
| Sources: | | Uses : | |
| Par Amount | \$302,160,000 | Refunding Escrow | \$323,529,414 |
| | | Debt Service Reserve | |
| Premium | 22,317,626 | Fund | 19,139,000 |
| Accrued Interest | 1,108,774 | Costs of Issuance | <u>3,328,486</u> |
| DSRF Release | <u>20,410,500</u> | | |
| Total | <u>\$345,996,900</u> | Total | <u>\$345,996,900</u> |

FINANCING SUMMARY/STRUCTURE

| | |
|-------------------------|---|
| Security: | The Series 2015C Bonds will be secured by a revenue pledge and mortgage on par with outstanding debt. |
| Structure: | Tax-exempt, fixed rate debt |
| Expected Interest Rate: | 5.00% |
| Interest Mode: | Fixed |
| Current Rating: | S&P: BBB-/Stable; Fitch: BBB+/Stable (Recently reaffirmed in 2014) |
| Final Maturity: | August 15, 2044 |
| Estimated Closing Date: | April 30 |

PROJECT SUMMARY

Silver Cross Hospital is expected to use proceeds of the sale of the Series 2015C Bonds to (i) advance refund all of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Silver Cross Hospital and Medical Centers) (the "Prior Bonds"), currently outstanding in the principal amount of \$259,725,000; (ii) fund a Debt Service Reserve Fund; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015C Bonds and the refunding of the Prior Bonds.

BUSINESS SUMMARY

Silver Cross Hospital ("SCH") is a 501(c)(3) corporation established under Illinois law. Silver Cross is a 295-bed hospital located in New Lenox, Illinois, approximately 35 miles southwest of Chicago. SCH has a good reputation of providing a broad range of healthcare services, with substantial resources. Much of the Hospital's service line growth has been in connection with joint ventures and partnerships with Chicagoland academic medical centers- University of Chicago (Oncology); The Rehabilitation Institute of Chicago (Rehabilitation Services); Lurie Children's Hospital (Inpatient hospitalist and neo-natal services); and Northwestern Medicine (neurology).

Silver Cross has consistently gained market share and is the market share leader in its primary service area. Silver Cross is located in Will County, one of the most rapidly growing counties in the country. The county has experienced explosive growth over the past 15 years and projections suggest that strong population growth will continue for the next 25 years.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

| | | |
|------------------------|--|--|
| Project name: | Silver Cross Hospital 1900 Silver Cross Blvd. New Lenox, IL 60451 | |
| Applicant: | Silver Cross Hospital | |
| Ownership (501(c)(3)): | 501(c)(3) Not-for-Profit Corporation | |
| State: | Illinois | |
| Board Members: | Carlstrom, Jack M. Danielson, Mark, M.D. Hutchison, Douglas Jr. Kenny, Michael McCowan, Al Mikolajczak, David, D.O. Morrissette, Steve Paddock, Scott Pawlak, Paul Phelan, John | Retired Businessman General Surgeon, Surgical Consultants of Joliet Retired Businessman CFO, Panduit Consultant Physician, EM Strategies Retired Businessman, College Professor President, Chicagoland Speedway President/CEO, Silver Cross Hospital Businessman, CommScope |

| | |
|----------------------------|--------------------------------|
| Prock, Susan | LOA from career |
| Roolf, James | President, First Midwest Bank |
| Stofan, Mark | Stofan Agazzi & Company, Inc. |
| Totten, Mary | President, Totten & Associates |
| Udovich, Christopher, M.D. | Physician, Hedges Clinic |

PROFESSIONAL & FINANCIAL

| | | | |
|-----------------------------|------------------------------|----------------|------------------------|
| Borrower's Counsel: | Foley & Lardner LLP | Chicago, IL | Laura Bilas |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Rich Tomei |
| Underwriter | Goldman, Sachs & Co. | New York, NY | Rondy Jennings |
| Co-Underwriter | Loop Capital Markets | Chicago, IL | |
| Underwriter's Counsel: | Dentons US LLP | Chicago, IL | Mary Wilson |
| Issuer's Counsel: | Hinshaw & Culbertson LLP | Chicago, IL | Leslie Richards-Yellen |
| Borrower Financial Advisor: | Ponder & Co. | Valparaiso, IN | Mike Tym |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Jim Beck |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 11 |
| State Senate: | 43 |
| State House: | 86 |

SERVICE AREA

Silver Cross Hospital is located near the U.S. Hwy. 6/I-355 (Veterans Memorial Tollway) interchange in New Lenox, Illinois, approximately 37 miles southwest of the City of Chicago. The primary service area provided approximately 74% of its admissions (July, 2014, prior 12 months) and includes the surrounding Will County communities of Crest Hill, Elwood, Frankfort, Homer Glen, Joliet, Lemont, Lockport, Manhattan, Mokena, New Lenox, and Orland Park (the "Primary Service Area"). The secondary service area extends about 20 miles beyond the Primary Service Area and consists of the communities of Bolingbrook, Braidwood, Channahon, Coal City, Matteson, Minooka, Monee, Morris, Palos Park, Plainfield, Romeoville, Shorewood, Tinley Park and Wilmington (the "Secondary Service Area").

March 10, 2015

\$25,000,000
The University of Chicago Medical Center

| | | | | | | | | | | | | | | | | |
|-------------------|---|------------------|----------------------------|-----------------------------|-----------------|--|--------------|--|-----------|---------------------|------------------|---------------------|--------------|----------------------------|--------------|----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by The University of Chicago Medical Center (“UCMC” or the “Borrower”), together with certain other funds to (i) refund a portion of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009C (The University of Chicago Medical Center) (the “Refunded Series 2009C Bonds”) and (ii) pay certain expenses incurred in connection with the issuance of the Series 2015A Bonds and the refunding of the Refunded Series 2009C 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 has been presented to the IFA Board of Directors. | | | | | | | | | | | | | | | |
| JOB DATA | 6,936 | 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 Corporation currently operates four hospitals and an ambulatory care facility located on the main campus of the University as well as certain outlying facilities and activities. The four hospitals operated by the Corporation consist of the newly opened adult patient care facility for complex and specialty care (the Center for Care and Discovery), the original adult patient care facility (Bernard Mitchell Hospital), a maternity and women’s hospital and a children’s hospital (Comer Children’s Hospital). | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none">• All Obligations issued under the Master Trust Indenture, including the Series 2015A Bonds with Loop Capital Markets, LLC will be secured by a security interest in the Unrestricted Receivables of the Obligated Group, but are not presently secured by a pledge, grant or mortgage of any of the other property of the Obligated Group. | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none">• The plan of finance contemplates fixed rate bonds that will be sold in a private placement with Loop Capital Markets, LLC as the placement agent.• Aa3/AA-/AA- (Moody’s/S&P/Fitch) underlying | | | | | | | | | | | | | | | |
| STRUCTURE | <ul style="list-style-type: none">• The tax-exempt fixed rate Bonds will be sold in a private placement to Qualified Institutional Buyers and Accredited Investors• Principal payments from 2027 through 2029 | | | | | | | | | | | | | | | |
| SOURCES AND USES | <table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>IFA Bonds</td><td><u>\$25,000,000</u></td><td>Refunding Escrow</td><td><u>\$25,000,000</u></td></tr><tr><td>Total</td><td><u>\$25,000,000</u></td><td>Total</td><td><u>\$25,000,000</u></td></tr></table> | | | | Sources: | | Uses: | | IFA Bonds | <u>\$25,000,000</u> | Refunding Escrow | <u>\$25,000,000</u> | Total | <u>\$25,000,000</u> | Total | <u>\$25,000,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | |
| IFA Bonds | <u>\$25,000,000</u> | Refunding Escrow | <u>\$25,000,000</u> | | | | | | | | | | | | | |
| Total | <u>\$25,000,000</u> | Total | <u>\$25,000,000</u> | | | | | | | | | | | | | |
| RECOMMENDATION | Credit Committee recommends approval. | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2015**

Project: **The University of Chicago Medical Center**

STATISTICS

| | | | |
|-----------------|-----------------|----------------|----------------------------|
| Project Number: | H-HO-TE-CD-8586 | Amount: | 25,000,000 (Not-to-Exceed) |
| Type: | 501(c)(3) Bonds | IFA Staff: | Pam Lenane |
| Location: | Chicago | County/Region: | Cook/Northeast |

BOARD ACTION

| | |
|---|-----------------------------|
| Final Bond Resolution (<i>One-time consideration</i>) | No IFA Funds at Risk |
| Conduit 501(c)(3) Revenue Bonds | No Extraordinary Conditions |
| Credit Committee Recommends approval | |

VOTING RECORD

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

PURPOSE

Bond proceeds will be used to (i) refund a portion of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009C (The University of Chicago Medical Center) (the "Refunded Series 2009C Bonds") and (ii) pay certain expenses incurred in connection with the issuance of the Series 2015A Bonds and the refunding of the Refunded Series 2009C 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 income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

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

JOBS

| | | | |
|---------------------|-------|------------------------------|-----|
| Current employment: | 6,936 | New jobs projected: | N/A |
| | | Construction jobs projected: | N/A |

ESTIMATED SOURCES AND USES OF FUNDS

| | | | |
|-----------------|----------------------------|-----------------|----------------------------|
| Sources: | | Uses: | |
| IFA Bonds | <u>\$25,000,000</u> | Refunding Bonds | <u>\$25,000,000</u> |
| Total | <u>\$25,000,000</u> | Total | <u>\$25,000,000</u> |

FINANCING SUMMARY

| | |
|-------------------------|--|
| Security: | The Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group, but are not presently secured by a pledge, grant or mortgage of any of the other property of the Obligated Group. |
| Structure: | Fixed Rate Bonds sold in a private placement by Loop Capital Markets, LLC. |
| Interest Rate: | To be determined the day of pricing |
| Interest Mode: | Fixed Rate |
| Credit Enhancement: | None |
| Maturity: | Final Maturity will be 8/15/2029 which is the current final maturity date associated with the existing Refunded Series 2009C Bonds |
| Rating: | Aa3/AA-/AA- (Moody's/S&P/Fitch) underlying |
| Estimated Closing Date: | March 12, 2015 |

PROJECT SUMMARY

Bond proceeds will be used to (i) refund the Refunded Series 2009C Bonds and (ii) pay certain expenses incurred in connection with the issuance of the Series 2015A Bonds and the refunding of the Refunded Series 2009C Bonds.

BUSINESS SUMMARY

The Corporation currently operates four hospitals and an ambulatory care facility located on the main campus of the University as well as certain outlying facilities and activities. The four hospitals operated by the Corporation consist of the newly opened adult patient care facility for complex and specialty care (the Center for Care and Discovery), the original adult patient care facility (Bernard Mitchell Hospital), a maternity and women's hospital and a children's hospital (Comer Children's Hospital).

ECONOMIC DISCLOSURE STATEMENT

Applicant: The University of Chicago Medical Center
5841 S. Maryland Avenue
Chicago (Cook County), IL
60637-1447

Borrower: The University of Chicago Medical Center

Board Members: Emily Nicklin (Chair), Craig J. Duchossois (Vice Chair), James S. Frank (Vice Chair), James D. Abrams, Andrew M. Alper (*ex officio*), Diane P. Atwood, Ellen Block, Kevin J. Brown, Paul J. Carbone, Robert G. Clark, James S. Crown, Sandra Culbertson (*ex officio*), Thomas Duckworth, Rodney L. Goldstein, Stephanie Harris, Eric D. Isaacs, Patrick J. Kelly, Rachel D. Kohler, Jonathan Kovler, Cheryl Mayberry-McKissack, William L. Morrison, Joseph P. Nolan, Brien M. O'Brien, Sharon O'Keefe (*ex officio*), Kenneth S. Polonsky, MD, (*ex officio*), Nicholas K. Pontikes, David Reyes, James Reynolds, Jr., Jeffrey T. Sheffield, James C. Stephen, John A. Svoboda, Michael Tang, Terry L. Van Der Aa, Scott Wald, Paula Wolff, Paul G. Yovovich and Robert J. Zimmer (*ex officio*).

Life Trustees: Paul F. Anderson, Marshall Bennett, Sidney Epstein, Robert Feitler, Stanford J. Goldblatt, Jules F. Knapp, Howard G. Krane, John D. Mabie, Barry L. MacLean, Robert G. Schloerb, Gordon Segal, and Robert G. Weiss.

PROFESSIONAL & FINANCIAL

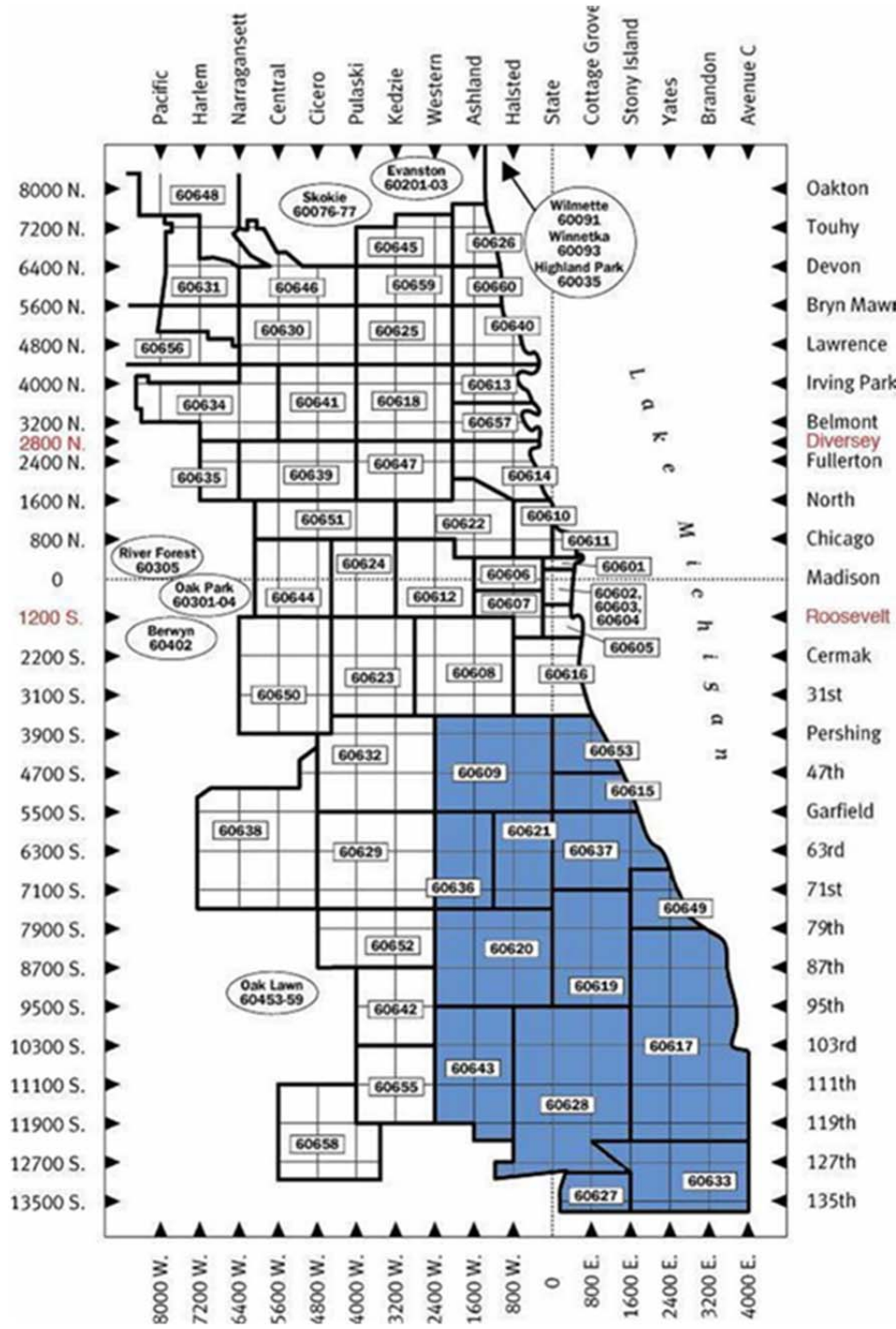
| | | | |
|--------------------------|------------------------------|---------|---------------------|
| Borrower's Counsel: | Katten Muchin Rosenman | Chicago | Janet Hoffman |
| Bond Counsel: | Chapman and Cutler | Chicago | John Bibby |
| Financial Advisor: | Melio & Company | Chicago | Mark Melio |
| Placement Agent: | Loop Capital Markets | Chicago | |
| Placement Agent Counsel: | Nixon Peabody | Chicago | Julie Seymour |
| IFA Counsel: | Burke, Burns & Pinelli, Ltd. | Chicago | Mary Patricia Burns |
| IFA Financial Advisor: | Sycamore Advisors LLC | Chicago | Melanie Shaker |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 1 |
| State Senate: | 13 |
| State House: | 26 |

SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.



ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

Date: March 10, 2015

From: Lorrie Karcher

Re: Request for approval allowing release of acreage:

1) Twenty acre of farmland on IFA Beginning Farmer Bond loan listed below.

Loan # 2008-09-0002 (*Beginning Farmer Bond*)

Original Amount: \$160,000.00

Current Balance: \$128,981.88

IFA Exposure: \$0

The State Bank of Speer (“Bank”) and **Rex A. Gehrig (“Borrower”)** have requested IFA concurrence of approval of the release of approximately twenty acres of farmland from an existing Beginning Farmer Bond loan, originated December 5, 2008. The Borrower originally purchased 73.5 acres (\$3,702/acre) of farmland and now has an opportunity to sell 20 acres of the farm.

Based on price appreciation of the land and reduction in the principal balance, the Bank believes they are adequately secured as the direct lender/investor in the IFA Beginning Farmer Bond.

The Bank and Farm Service Agency (FSA subordinate) have already approved the Borrower’s request; however, because the IFA has an existing bond in place, the Bank is requesting IFA’s concurrence on this change in collateral.

Based on the loan to value ratio, and the Beginning Farmer Bond structure (in which the Bank is the secured lender and bond investor assuming 100% of the credit risk on this financing), staff concurs and recommends approval of this request.

IFA has no credit risk on this financing as conduit issuer of the subject Beginning Farmer Bonds. The proposed collateral release has no impact on the Authority.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: March 10, 2015

Re: Resolution Authorizing the Execution and Delivery of a Second Amendment to Bond and Loan Agreement Relating to the Industrial Development Revenue Bonds (Ockerlund Industries, Inc. Project) Series 2005 of the Illinois Finance Authority; and Related Matters
IFA File Number: I-ID-TE-CD-558

Request:

Ockerlund Industries, Inc., an Illinois corporation ("**Industries**"), and **Ockerlund Holdings, LLC**, an Illinois limited liability company ("**Holdings**" and, collectively with Industries, the "**Borrower**"), and First Bank and Trust (the "**Purchaser**") are requesting approval of a Resolution to authorize execution and delivery of a Second Amendment to Bond and Loan Agreement among the Authority, the Borrower and the Purchaser (the "**Second Amendment**"), a Supplemental Tax Agreement and related documents to effectuate a change in the interest rate determination provisions in connection with the Authority's Industrial Development Revenue Bonds (Ockerlund Industries, Inc. Project), Series 2005 (the "**Bonds**").

The Bonds were issued as of May 1, 2005 and subsequently thereafter were purchased by First Bank and Trust on June 1, 2010 in the outstanding principal amount of \$3,237,411. The Bonds remain owned in whole by First Bank and Trust currently.

Impact:

As a result of this amendment, the formula and respective definitions related thereto for calculating the interest rate while in Bank Purchase Mode from June 1, 2015 through May 31, 2020 will be amended. Additionally, the Amortization Schedule as an Exhibit to the Second Amendment will be replaced in its entirety to reflect the new amortization effective June 1, 2015. Consistent with historical practice, there will be a \$5,000 fee in connection with any deemed reissuance of the Bonds as a result of this amendment.

Background:

The Authority issued its Bonds and lent the proceeds to the Borrower to finance a portion of the costs of the acquisition, construction and equipping of a manufacturing facility of the Borrower in Addison, Illinois and to finance a portion of certain cost of issuing the Bonds.

All payments relating to the Authority's Industrial Development Revenue Bonds (Ockerlund Industries, Inc. Project), Series 2005 are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Financial

| | | | |
|------------------------|-------------------------------|--------------|---------------|
| Advisor: | Total Capital Solutions, Inc. | Oak Park, IL | Tony Grant |
| Bond Counsel: | Greenberg Traurig LLP | Chicago, IL | Matt Lewin |
| Bond Purchaser: | First Bank and Trust | Itasca, IL | Brogan Ptacin |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Jim Beck |

RESOLUTION NO. 2014-0310-AD__

**RESOLUTION AUTHORIZING THE EXECUTION AND
DELIVERY OF A SECOND AMENDMENT TO BOND AND
LOAN AGREEMENT RELATING TO THE INDUSTRIAL
DEVELOPMENT REVENUE BONDS (OCKERLUND
INDUSTRIES, INC. PROJECT) SERIES 2005 OF THE ILLINOIS
FINANCE AUTHORITY; AND RELATED MATTERS.**

WHEREAS, the Illinois Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “**Authority**”), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the “**Act**”), has previously issued its \$3,600,000 initial aggregate principal amount Industrial Development Revenue Bonds (Ockerlund Industries, Inc. Project) Series 2005 (the “**Bonds**”); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority entered into a Bond and Loan Agreement dated as of May 1, 2005 (the “**2005 Agreement**”) with American Chartered Bank as the original owner of the Bond (the “**Original Purchaser**”) and Ockerlund Industries, Inc., an Illinois corporation (“**Industries**”), and Ockerlund Holdings, LLC, an Illinois limited liability company (“**Holdings**” and, collectively with Industries, the “**Borrower**”), pursuant to which the proceeds of the Bonds were lent by the Authority to the Borrower to finance a portion of the costs of the acquisition, construction and equipping of a manufacturing facility of the Borrower in Addison, Illinois and to finance a portion of certain cost of issuing the Bonds; and

WHEREAS, the Original Purchaser tendered the entire aggregate principal amount of the Bonds on June 1, 2010 (the “**2010 Amendment Effective Date**”) in the outstanding principal amount of \$3,237,411 pursuant to the mandatory tender provisions of Section 4.02(a) of the Original Agreement, and on such date, First Bank and Trust (the “**Purchaser**”) purchased the entire aggregate principal amount of Bonds and the Purchaser, the Borrower and the Issuer amended the Original Agreement pursuant to a First Amendment to Bond and Loan Agreement dated as of June 1, 2010 (the “**First Amendment**”) (the 2005 Agreement, as amended by the First Amendment, being referred to herein as the “**Original Agreement**”); and

WHEREAS, the Purchaser, the Borrower and the Authority now desire to enter into a Second Amendment to Bond and Loan Agreement (the “**Second Amendment**”) in order to amend the interest rate determination provisions applicable to the Bonds and make certain other changes to the Original Agreement; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of the Second Amendment, and if deemed necessary or desirable, a Supplemental Tax Exemption Certificate and Agreement among the Authority, the Borrower and the Trustee (the “**Supplemental Tax Agreement**”) in connection with any deemed reissuance of the Bonds as a result of the amendments; and

WHEREAS, the Second Amendment and any Supplemental Tax Agreement are referred to collectively herein as the “**Authority Documents.**”

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

Section 1. All of the recitals contained in the preambles to this Resolution are full, true and correct, and are hereby incorporated into this Resolution by this reference.

Section 2. Pursuant to the Act, the modification of the terms of the Original Agreement in accordance with the terms of the Second Amendment are hereby approved and authorized, and such modifications are in furtherance of the Authority’s public purposes.

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

Section 4. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of any additional documents and instruments as may be necessary to carry out and comply with the provisions of these resolutions or the Authority Documents), and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority 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 an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Authority Documents.

Section 5. All acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same hereby are, in all respects, ratified, confirmed and approved.

Section 6. The Authority hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the Bonds.

Section 7. 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 Final Bond Resolution.

Section 10. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 10th day of March, 2015 by vote as follows:

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane, Vice President

Date: March 10, 2015

Re: Resolution Authorizing the Purchase of the Series 2004 Bonds by SwedishAmerican Hospital in Lieu of Redemption and related matters

On December 21, 2004, the Illinois Finance Authority (the "Authority") issued the Series 2004 Bonds pursuant to a Bond Trust Indenture dated as of December 1, 2004 (the "Bond Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor bond trustee (the "Bond Trustee") and loaned the proceeds thereof to SwedishAmerican Hospital ("SAH") pursuant to a Loan Agreement dated as of December 1, 2004 (the "Loan Agreement") between the Authority and SAH. The Series 2004 Bonds are currently outstanding in the amounts, mature on the dates and bear interest at the fixed rates of interest detailed below.

| Maturity | Par | Coupon |
|--------------|---------------------|--------|
| 11/15/2015 | \$3,135,000 | 5.00% |
| 11/15/2016 | \$3,290,000 | 3.75% |
| 11/15/2023 | \$27,795,000 | 5.00% |
| 11/15/2031 | <u>\$42,760,000</u> | 5.00% |
| Total | \$76,980,000 | |

The Series 2004 Bonds became callable for redemption prior to maturity at par on November 15, 2014. In lieu of redeeming the Series 2004 Bonds, SAH intends to purchase the Series 2004 Bonds in lieu of redemption as permitted by the Bond Indenture and subsequently sell the Series 2004 Bonds to Bank of America, N.A. ("BANA"). Simultaneously, to generate cash flow savings, SAH intends to convert the Series 2004 Bonds to a variable rate of interest, by entering into a total return swap ("TRS") with BANA. The TRS will preserve the Series 2004 Bonds in their current form, including the ability to call the Series 2004 Bonds at par, providing SAH with future operating flexibility. In addition, the TRS will convert the interest rate on the Series 2004 Bonds from an average coupon of approximately 4.95% to SIFMA + 0.60% (0.62% in today's market) ⁽¹⁾. Based on interest rates as of today, SAH will generate approximately \$3.3 million of interest savings per year.

The Bond Indenture grants Ambac Assurance Corporation ("Ambac"), as issuer of a municipal bond insurance policy (the "Bond Insurance Policy") supporting the Series 2004 Bonds, the right to consent to any purchase in lieu of redemption. Ambac has agreed to consent to the purchase in lieu of redemption of the Series 2004 Bonds by SAH if SAH, the Authority, the Bond Trustee and BANA, as bondholder, agree to cancel the Bond Insurance Policy. To reflect the cancellation of the Bond Insurance Policy, the Bond Indenture and the Loan Agreement will require amendment and the Authority will be required to execute a Release Agreement with Ambac.

Closing is currently expected to occur on March 27, 2015.

RESOLUTION NUMBER 2015-_____

**RESOLUTION AUTHORIZING THE PURCHASE OF THE SERIES 2004 BONDS BY
SWEDISHAMERICAN HOSPITAL IN LIEU OF REDEMPTION AND THE CANCELLATION
OF THE AMBAC BOND INSURANCE SUPPORTING THE SERIES 2004 BONDS**

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

WHEREAS, on December 21, 2004 the Authority issued its \$100,995,000 Revenue Bonds, Series 2004 (SwedishAmerican Hospital) (the “*Series 2004 Bonds*”) pursuant to a Bond Trust Indenture dated as of December 1, 2004 (the “*Bond Indenture*”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor bond trustee (the “*Bond Trustee*”), and loaned the proceeds thereof to SwedishAmerican Hospital (the “*Hospital*”), a not for profit corporation incorporated under the laws of the State of Illinois, pursuant to a Loan Agreement dated as of December 1, 2004 (the “*Loan Agreement*”) between the Hospital and the Authority; and

WHEREAS, the timely payment of principal of and interest on the Series 2004 Bonds are insured by a municipal bond insurance policy (the “*Bond Insurance Policy*”) issued by Ambac Assurance Corporation (“*Ambac*”); and

WHEREAS, the Hospital has determined to purchase the Series 2004 Bonds in lieu of redemption as permitted by Section 501 of the Bond Indenture; and

WHEREAS, following such purchase in lieu of redemption, the Hospital will immediately sell the Series 2004 Bonds to Bank of America, N.A., or an affiliate thereof (“*BANA*”); and

WHEREAS, the Bond Insurer’s consent is required for the purchase in lieu of redemption; and

WHEREAS, the Bond Insurer has agreed to consent to the purchase in lieu of redemption if the Hospital, the Authority, the Bond Trustee and BANA, as the holder of the Series 2004 Bonds, will agree to cancel and release the Bond Insurance Policy (the “*Cancellation*”); and

WHEREAS, in connection with the Cancellation, it is necessary and advisable to supplement and amend the Bond Indenture and the Loan Agreement; and

WHEREAS, in connection with the Cancellation, it will be necessary that the Authority, the Hospital, the Bond Trustee, BANA and Ambac execute and deliver a Cancellation Agreement (the “*Cancellation Agreement*”), which cancels and releases the Bond Insurance Policy; and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the “*Authority Documents*”):

(a) a First Supplemental Bond Trust Indenture (the “*Supplemental Bond Indenture*”) between the Authority and the Bond Trustee, supplementing and amending the Bond Indenture and including a restated form of Series 2004 Bond;

(b) a First Supplemental Loan Agreement (the “*Supplemental Loan Agreement*”) between the Authority and the Hospital, supplementing and amending the Loan Agreement; and

(c) a Cancellation Agreement; and

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

Section 1. Authority Documents. 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 the Authority Documents. The Authority Documents shall be substantially in the forms previously provided to the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from the forms of such Authority Documents previously provided to the Authority. In connection with the execution and delivery of the Authority Documents, the Authorized Officers are hereby authorized to deliver new Series 2004 Bonds, executed with the facsimile signature of the Chairman of the Authority, with such signature to be attested by the Secretary or Assistant Secretary of the Authority, and bearing the seal of the Authority.

Section 2. Purchase in Lieu of Redemption. The Authority does hereby approve the purchase of the Series 2004 Bonds in lieu of redemption. The Authorized Officers are hereby authorized and directed to execute all necessary documents, certificates, consents or waivers in connection with the purchase of the Series 2004 Bonds in lieu of redemption.

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 and the Authority Documents, 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 Authority 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, Chairman or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director, Chairman and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, and

delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the 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.

ADOPTED this 10th day of March, 2015.

Item No. 11 has been withdrawn.

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ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: March 10, 2015

Re: Resolution Authorizing Execution of a First Amendment to Intergovernmental Agreement with the Office of the State Fire Marshal for the Fire Truck Revolving Loan Program and Related OSFM Programs

Background:

The Illinois Finance Authority (“**IFA**”) and the Office of the State Fire Marshal (“**OSFM**”) jointly administer the Fire Truck Revolving Loan Program (the “**Fire Truck Program**”), the Fire Station Revolving Loan Program (the “**Fire Station Program**”) and the Ambulance Revolving Loan Program (the “**Ambulance Program**”, and together with the Fire Truck Program and the Fire Station Program, the “**Loan Programs**”) as defined in the Illinois Finance Authority Act, 20 ILCS 3501/801 et seq. (the “**IFA Act**”). Since inception, the Loan Programs have provided zero-interest loans (now zero-interest or low-interest) to fire departments, fire protection districts, and township fire departments for the purchase of fire trucks, the construction, rehabilitation, remodeling, or expansion of a fire station or the acquisition of land for the construction or expansion of a fire station, or the purchase of ambulances by a fire department, a fire protection district, a township fire department. Non-profit ambulance services may also utilize the Ambulance Program for the purchases of ambulances.

OSFM is responsible for undertaking a technical review of applications received in connection with the Loan Programs. Thereafter, applications are presented to IFA for prospective funding. IFA is responsible for evaluating the creditworthiness of each proposed loan. IFA’s goal for the Loan Programs has been to assist OSFM in deploying available funds to smaller, under-resourced fire departments, fire protection districts, township fire departments and non-profit ambulance services.

Loan Program History:

Effective July 2005, Public Act 94-221 created the Fire Truck Program. The maximum loan amount is currently \$350,000 (\$100,000 for brush trucks) while the maximum loan term is 20 years (most loans are for terms of between 10 years and 20 years). Under the IFA Act, debt service must include principal repayment of at least 5% per annum. Effective August 2009, Public Act 96-135 created the Fire Station Program. The maximum loan amount is currently \$2,000,000 while the maximum loan term is 25 years. Under the IFA Act, debt service must include principal repayment of at least 4% per annum. Effective January 2013, Public Act 97-901 created the Ambulance Program. The maximum loan amount is currently \$100,000 while the maximum loan term is 10 years. Under the IFA Act, debt service must include principal repayment of at least 5% per annum.

Effective January 1, 2013, Public Act 97-901 required that all future moneys deposited into the Fire Truck Revolving Loan Fund, Fire Station Revolving Loan Fund or Ambulance Revolving Loan Fund, respectively, in the Office of the State Treasurer from continuing Illinois General Assembly appropriations shall be paid by OSFM to IFA provided that IFA and OSFM enter into an Intergovernmental Agreement that further supports the Loan Programs. The same would apply to current moneys on deposit in the respective State Treasurer accounts; that is, existing funds in the respective State Treasurer accounts shall also be paid to IFA provided that IFA and OSFM enter into an Intergovernmental Agreement that further supports the Loan Programs.

IFA’s Executive Director negotiated and executed an Intergovernmental Agreement with OSFM, effective as of April 8, 2014 (the “**Original IGA**”). Provisions of the Original IGA apply to the Fire Truck Program, Fire Station Program and Ambulance Program. As a result, OSFM has been transferring loan funds from the Illinois State Treasurer to IFA locally held funds.

On January 12, 2015, the Authority received additional receipts and loan funds of \$8 million through a transfer from the Illinois State Treasurer pursuant to Public Act 97-901 and the Original IGA. In light of the State's Fiscal Crisis and the appropriated origin of these funds, it was subsequently requested that these funds be reserved per request of OSFM and the Governor's Office of Management & Budget ("GOMB"). The Authority is working with OSFM and GOMB towards a resolution of this issue.

Notwithstanding the request by OSFM and GOMB, IFA had approximately \$14,361,357 in Cash and Investments for the locally held Fire Truck Revolving Loan Fund as of 2/28/2015 that is presently available to fund new loans. Since inception, OSFM has forwarded applications to IFA periodically which enabled Fire Truck Program loans to close in Fiscal Years 2005, 2006, 2008, 2009, 2010 and 2012. However, OSFM did not forward applications to IFA and, consequently, no loans were funded in Fiscal Years 2007, 2011, 2013 and 2014. In 2012, OSFM approved twenty-nine applications that were forwarded to IFA for financial due diligence review. Of the 29 applications, IFA credit approved 27 and closed 19 totaling \$3,620,000. As of 2/28/2015, approximately 132 Fire Truck Program loans were outstanding totaling \$15,548,077.

No Fire Station Program loans have been originated as the Fire Station Program has never been capitalized by the Illinois General Assembly.

IFA had approximately \$3,813,597 in Cash and Investments for the locally held Ambulance Revolving Loan Fund as of 2/28/2015 that is presently available to fund new loans. Since inception, OSFM has forwarded applications to IFA periodically which enabled Ambulance Program loans to close in Fiscal Year 2009. However, OSFM did not forward applications to IFA and, consequently, no loans were funded in Fiscal Years 2010, 2011, 2012, 2013 and 2014. In 2009, OSFM approved 10 applications that were forwarded to IFA for financial due diligence review. Of the 10 applications, IFA credit-approved 10 and closed 10 totaling \$993,200. As of 2/28/2015, approximately 8 Ambulance Program loans were outstanding totaling \$321,600.

Resolution Authorizing Execution of a First Amendment to Intergovernmental Agreement with OSFM:

Now, IFA requests authorization to execute a First Amendment to Intergovernmental Agreement with OSFM to (i) conform the date of the interest rate calculation in the Original IGA with proposed rule changes IFA and OSFM are seeking in accordance with the Illinois Administrative Procedures Act to administer the Loan Programs and (ii) extend the initial term of the Original IGA from one (1) year to five (5) years.

IFA and OSFM desire to amend the Original IGA as follows:

1. *Amendment to Section 3(b).* Section 3(b) of the Original IGA is hereby amended in its entirety to read as follows:

"The interest rate on loans made pursuant to the Loan Programs, with the exception of brush trucks, shall be at zero percent (0%) interest. Except if the borrower has one or more investment grade credit ratings at or above Baa3 or BBB- or the equivalent from any nationally recognized municipal credit rating agency, the interest rate shall be equivalent to fifty percent (50%) of the mean of the Bond Buyer's 20-Bond General Obligation Index for the twelve (12) month period ended September 30 of the prior calendar year (and will represent the interest rates in effect as of October 1 of each year under the Illinois Environmental Protection Agency's State Revolving Fund/Clean Water Initiative Programs). Such interest rate shall be reset each January 1st during the term of this Agreement. Loans issued under this Agreement shall be simple interest loans and the rates shall remain fixed for the term of the loan agreement."

2. *Amendment to Section 5.* Section 5 of the Original IGA is hereby amended in its entirety to read as follows:

“The term of this Agreement shall commence upon the Effective Date (as hereinafter defined) and shall continue for a period of five (5) years thereafter unless earlier terminated as set forth therein. The Agreement may be renewed for successive one (1) year periods upon the mutual agreement of the Parties. Either party may terminate the Agreement upon 30 days written notice to the other Party. Notwithstanding the foregoing, this Agreement shall terminate upon the effective date of a legislative enactment discontinuing the Loan Programs or discontinuing administration by either Party.”

Recommendation:

Staff recommends approval of the accompanying Resolution as presented.

IFA Resolution No. 2014-0310-_____

**RESOLUTION AUTHORIZING EXECUTION OF A
FIRST AMENDMENT TO INTERGOVERNMENTAL
AGREEMENT WITH THE OFFICE OF THE STATE
FIRE MARSHAL FOR THE FIRE TRUCK REVOLVING
LOAN PROGRAM AND RELATED OSFM PROGRAMS**

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 Fire Truck Revolving Loan Program has been established under the Act and jointly administered by the Authority and the Office of the Illinois State Fire Marshal (“OSFM”) to provide loans for the purchase of fire trucks by a fire department, a fire protection district, or a township fire department (the “Fire Truck Program”); and

WHEREAS, the Fire Station Revolving Loan Program has been established under the Act and jointly administered by the Authority and OSFM for the construction, rehabilitation, remodeling, or expansion of a fire station or the acquisition of land for the construction or expansion of a fire station by a fire department, a fire protection district, or a township fire department (the “Fire Station Program”); and

WHEREAS, the Ambulance Revolving Loan Program has been established under the Act and jointly administered by the Authority and OSFM for the purchase of ambulances by a fire department, a fire protection district, a township fire department, or a non-profit ambulance service (the “Ambulance Program”, and together with the Fire Truck Program and the Fire Station Program, the “Loan Programs”); and

WHEREAS, IFA’s goal for Loan Programs has been to assist OSFM in deploying funds to smaller, under-resourced fire departments, fire protection districts, township fire departments and non-profit ambulance services; and

WHEREAS, it is in the best interest of IFA and OSFM to achieve optimal results through negotiation and execution of an Intergovernmental Agreement; and

WHEREAS, the Executive Director of the Authority (the “Executive Director”) has taken certain actions from time to time regarding the Loan Programs, all in accordance with the wishes of the Authority and may continue to do so; and

WHEREAS, the Members of the Authority granted the Executive Director authorization to negotiate and execute an Intergovernmental Agreement on behalf of the Authority with OSFM with regard to ongoing management and administration of the Loan Programs; and

WHEREAS, an Intergovernmental Agreement was executed and entered into between the Authority and OSFM as of April 8, 2014 (the “Original IGA”); and

WHEREAS, pursuant to the Original IGA, the Authority and OSFM have filed proposed rule changes in accordance with the Illinois Administrative Procedures Act to administer the Loan Programs; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of the First Amendment to Intergovernmental Agreement (the “First Amendment”) in connection with conforming the Original IGA with the proposed rule changes and extending its initial term.

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

Section 1. 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. Pursuant to the Act, the modification of the terms of the Original IGA in accordance with the terms of the First Amendment are hereby approved and authorized, and such modifications are in furtherance of the Authority's public purposes.

Section 3. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members to serve in such offices on an interim basis (each an "Authorized Officer"), and the delivery and use, of the First Amendment. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the First Amendment. The First Amendment shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the First Amendment and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the amendments referenced hereby.

Section 4. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of any additional documents and instruments as may be necessary to carry out and comply with the provisions of these resolutions or the First Amendment), and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the First Amendment or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the First Amendment.

Section 5. All acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same hereby are, in all respects, ratified, confirmed and approved.

Section 6. Enactment. This Resolution shall take effect immediately. 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.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Melinda Gildart, Chief Financial Officer

Date: March 10, 2015

Re: Resolution Cancelling Awards for the Accounting and Auditing Pool Contract

Request:

The accompanying Resolution is in connection with cancelling the awards for the Authority's recent procurement of accounting and auditing services through the Authority's exemption from the Illinois Procurement Code for Financial, Legal and Professional and Artistic services.

Background:

The IFA Board of Directors adopted Resolution #2015-0208-AD05 on February 18, 2015, which approved of the terms of an Audit and Attestation Services contract to (i) Washington, Pittman and McKeever, LLC, (ii) Prado and Renteria CPAs Professional Corp., (iii) Crowe Horwath LLP, (iv) Franklin and Vaughn, LLC and (v) Ringold Financial Management Services, Inc. (the "**Audit and Attestation Services Contract**") as well as approved of the terms of an Accounting Services contract to (i) Washington, Pittman and McKeever, LLC, (ii) Prado and Renteria CPAs Professional Corp., (iii) Crowe Horwath LLP, (iv) Franklin and Vaughn, LLC, (v) Ringold Financial Management Services, Inc. and (vi) Globetrotters International, Inc. (the "**Accounting Services Contract**") and collectively with the Audit and Attestation Services, the "**Accounting and Auditing Pool Contract**").

This Accounting and Auditing Pool Contract procurement was made to augment the Authority's understaffed Finance Department. These vendors were going to tackle delayed accounting and auditing projects to assist staff mostly in preparation of the financial audit and compliance audits and accounting software ledger updates. The awardees would have been engaged for a 3-year term with no anticipated renewal options.

It is in the best interest of the State and the agency not to award the contracts at this time.

Recommendation:

Staff recommends approval of the accompanying Resolution as presented.

RESOLUTION NO. 2015-0310-AD13

**RESOLUTION CANCELLING AWARDS FOR THE ACCOUNTING AND
AUDITING POOL CONTRACT**

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

WHEREAS, 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 (the “Contracts”) 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; and

WHEREAS, on August 13, 2013 the Board of the Authority approved 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 by the Authority in which the State of Illinois is not obligated; and

WHEREAS, the Act further provides that the Board of the Authority shall approve the terms of such Contracts; and

WHEREAS, the Authority adopted Resolution No. 2015-0218-AD05 on February 18, 2015, approving of the terms of an Audit and Attestation Services contract to (i) Washington, Pittman and McKeever, LLC, (ii) Prado and Renteria CPAs Professional Corp., (iii) Crowe Horwath LLP, (iv) Franklin and Vaughn, LLC and (v) Ringold Financial Management Services, Inc. (the “Audit and Attestation Services Contract”); and

WHEREAS, the Authority adopted Resolution No. 2015-0218-AD05 on February 18, 2015, approving of the terms of an Accounting Services contract to (i) Washington, Pittman and McKeever, LLC, (ii) Prado and Renteria CPAs Professional Corp., (iii) Crowe Horwath LLP, (iv) Franklin and Vaughn, LLC, (v) Ringold Financial Management Services, Inc. and (vi) Globetrotters International, Inc. (the “Accounting Services Contract” and collectively with the Audit and Attestation Services Contract, the “Accounting and Auditing Pool Contract”); and

WHEREAS, the Authority wishes to rescind its prior approval of the terms of the Accounting and Auditing Pool Contract.

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

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

Section 2. Cancelling of the Awards for the Audit and Attestation Services Contract. The Authority hereby rescinds its prior approval of the terms of the Audit and Attestation Services Contract, thus cancelling the prior awards.

Section 3. Cancelling of the Awards for the Accounting Services Contract. The Authority hereby rescinds its prior approval of the terms of the Accounting Services contract, thus cancelling the prior awards.

Section 4. Delegation to the Executive Director. The Authority 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 actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificate and other documents as may be required in connection with cancelling the awards for the Audit and Attestation Services Contract and cancelling the awards for the Accounting Services Contract.

Section 5. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 6. 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 7. Conflicts. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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