

**ILLINOIS FINANCE AUTHORITY**

**Tuesday, September 10, 2013**

**AGENDA**

**COMMITTEE OF THE WHOLE MEETING**

**9:30 a.m.**

**IFA Chicago Office**

**Two Prudential Plaza**

**180 North Stetson Avenue, Suite 2555**

**Chicago, Illinois 60601**

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

**BOARD MEETING**

**10:30 a.m.**

**Conference Center**

**One Prudential Plaza**

**130 East Randolph Street, Suite 750**

**Chicago, Illinois 60601**

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

**PROJECT REPORTS AND RESOLUTIONS**

**AGRICULTURE PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>Beginning Farmer Bonds</b> <i>Final (One-Time Consideration)</i>						
1	Joshua R. Haile	Moore's Prairie Township (Jefferson County)	\$195,000	-	-	LK
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$195,000</b>	<b>-</b>	<b>-</b>	

**LOCAL GOVERNMENT PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
<b>Local Government Bonds</b> <i>Final (One-Time Consideration)</i>						
2	Community College District No. 532	Grayslake (Lake County)	\$28,310,000	-	360	RF/BF
<b>TOTAL LOCAL GOVERNMENT PROJECTS</b>			<b>\$28,310,000</b>	<b>-</b>	<b>360</b>	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
<b>501(c)(3) Revenue Bonds</b> <i>Final</i>						
3	Noble Network of Charter Schools	Chicago (Cook County)	\$23,000,000	236	25	RF/BF
<b>501(c)(3) Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
4	YMCA of Rock River Valley	Rockford and Loves Park (Winnebago County)	\$7,000,000	47	N/A	RF/BF
<b>TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS</b>			<b>\$30,000,000</b>	<b>283</b>	<b>25</b>	

**HEALTHCARE PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>501(c)(3) Revenue Bonds</b> <i>Final</i>						
5	Presence Health Network	Cook, Champaign, DuPage, Kankakee, Kane, Vermilion and Will Counties	\$375,000,000	N/A	N/A	PL/NO
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$375,000,000</b>	<b>N/A</b>	<b>N/A</b>	
<b>GRAND TOTAL</b>			<b>\$433,505,000</b>	<b>283</b>	<b>385</b>	

**PROJECT REPORTS AND RESOLUTIONS**

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**RESOLUTIONS**

<b>Tab</b>	<b>Action</b>	<b>Staff</b>
<b>Resolutions</b>		
6	Resolution Authorizing and Approving Certain Amendments Relating to Various Outstanding Series of Bonds Issued on Behalf of OSF Healthcare System and Authorizing and Approving Certain Related Matters	PL/NO
7	Resolution Authorizing Actions to Assist with Proposed Master Trust Indenture Obligation Substitution for The Methodist Medical Center of Illinois	PL/NO
8	Resolution Approving the Terms of Various Contracts	DA

September 10, 2013

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

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

RE: Message from the Executive Director

Dear Members of the Authority:

This month we are proud to present a diverse agenda of projects totaling over \$433 million in projected bond issuance. Two projects stand out in particular as illustrations of the Authority's commitment to different sectors of the Illinois economy.

### ***College of Lake County***

First, the Members will consider a \$28.31 million Final Bond Resolution on behalf of College of Lake County (Community College District No. 532) to improve its Grayslake Campus. The Authority shares Governor Quinn's view that community colleges across Illinois are essential to ensuring our state's workforce successfully competes in the twenty-first century global economy. This project also reflects the Authority's continuing commitment to our state's local property taxpayers by facilitating lowest cost financing for local governments, school districts and community college districts wherever possible.

### ***Presence Health***

Second, the Members will consider a \$375 million Final Bond Resolution on behalf of Presence Health Network. Presence is the product of the 2011 consolidation of two Illinois Catholic health systems, Provena Health and Resurrection Health Care. Presence Health is the largest Catholic health system in our state and operates 12 acute care hospitals, many of which are urban safety-net healthcare providers, along with 27 senior care facilities. The proposed refunding will result in a lower cost of capital for Presence.

### ***Governor's Clean Water Initiative***

On September 6, on behalf of the Members of the Authority, I joined Governor Quinn at 52<sup>nd</sup> and Aberdeen on Chicago's Southside to announce \$25 million in lowest cost financing through the Authority's partnership with the Illinois Environmental Protection Agency (IEPA) and the City of Chicago. This project will finance the replacement of century-old water pipes on dozens of miles of

City streets through the Governor's Clean Water Initiative (also known as the EPA State Revolving Fund or SRF). Until Governor Quinn took office, the City of Chicago had never participated in this important and cost-saving State-City-Federal program. The Authority, along with its partner IEPA, led by Director Lisa Bonnett, is proud to help Governor Quinn and Mayor Emmanuel finance these water projects at the lowest possible cost to Chicago's hardworking taxpayers. With this announcement, a total of \$40 million in City of Chicago water projects have now been financed through the Clean Water Initiative. The Authority plans to close on its first Clean Water Initiative/SRF financing in almost a decade later this calendar year.

*Commitment to Agriculture*

On August 13, Governor Quinn signed House Bill 2748 (Representatives Harms-Brown-Schmitz-Bost-Reis; Senators Barickman-Althoff) into law as Public Act 98-0344. This bill (House 115-0; Senate 50-0) memorializes the intent of the late Senator Vince Demuzio and former Representative Gary Hannig, the sponsors of Senate Bill 1075 (P.A. 93-205) which created the Authority in 2004. The sponsors intended that at any point in time at least two Members of the Authority have expertise in agribusiness or production agriculture. Since its creation, the Authority has complied with this intent by always having two active Illinois farmers among its Members. For the majority of the Authority's existence, these two farmers have been Edward H. Leonard, Sr. of Macon County and Bradley A. Zeller of Morgan County. In addition to their volunteer public service to the Authority, Members Leonard and Zeller now help fulfill a statutory mandate. The Authority will continue to work with Members Leonard and Zeller, and the other Members, to ensure that low-cost financing tools are broadly available to Illinois farmers.

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

Respectfully,



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Christopher B. Meister  
Executive Director

Attachments:

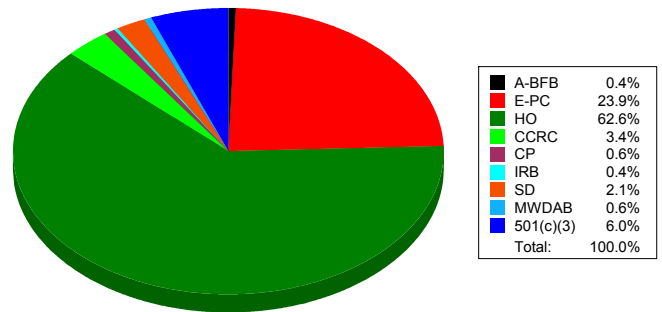
Attachment 1 - Monthly Bonds Activity Report

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

### Fiscal Year 2012

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

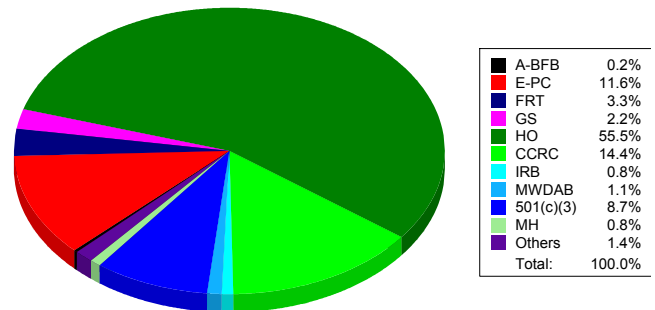
### Bonds Issued in Fiscal Year 2012



### Fiscal Year 2013

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	4,461,655
8	Education	264,865,000
1	Gas Supply	50,000,000
10	Healthcare - Hospital	1,262,625,000
5	Healthcare - CCRC	326,840,068
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 Bonds	75,000,000
2	Local Government	15,025,000
1	Environmental issued under 20 ILCS 3515/9	10,935,000
<b>60</b>		<b>\$ 2,270,786,753</b>

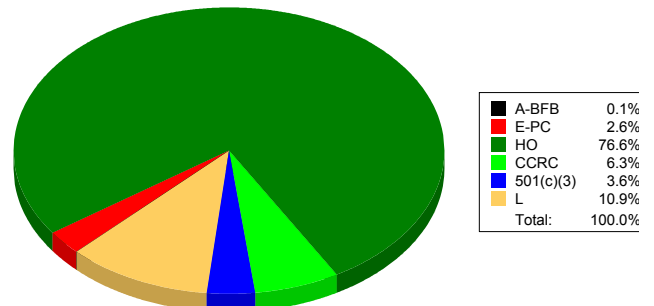
### Bonds Issued in Fiscal Year 2013



### Fiscal Year 2014

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	440,000
1	Education	17,000,000
2	Healthcare - Hospital	494,905,000
1	Healthcare - CCRC	40,665,000
1	501(c)(3) Not-for-Profit	23,000,000
3	Local Government	70,140,000
<b>9</b>		<b>\$646,150,000.00</b>

### Bonds Issued in Fiscal Year 2014



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

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
E-PC Concordia University	07/01/2013	Variable	17,000,000	17,000,000
L Township High School District Number 113, Series 2013A	07/01/2013	Fixed at Schedule	41,530,000	0
HO Rehabilitation Institute of Chicago	07/01/2013	Fixed at Schedule	398,000,000	90,000,000
A-BFB Beginner Farmer Bonds	07/01/2013	various	440,000	0
501(c)(3) Lake Forest Country Day School	08/01/2013	Variable	23,000,000	23,000,000
HO Advocate Health Care Network	08/01/2013	Fixed at Schedule	96,905,000	0
CCRC Illinois College of Optometry	08/01/2013	Variable	40,665,000	40,152,503
L Township High School District Number 113, Series 2013 B	08/21/2013	Fixed at Schedule	8,470,000	0
L East Richland C.U.S.D. #1	08/29/2013	Fixed at Schedule	20,140,000	20,280,291
<b>Total Bonds Issued as of August 31, 2013</b>			<b>\$ 646,150,000</b>	<b>\$ 190,432,793</b>

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

**Beginner Farmer Bonds Funded between July 01, 2013 and August 31, 2013**

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



## COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY  
COMMITTEE OF THE WHOLE  
REGULAR MEETING  
TUESDAY, AUGUST 13, 2013  
9:30 A.M.**

### **I. Call to Order & Roll Call**

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the “Committee” or “COW”), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of August in the year 2013, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 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 of Directors declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Knox was recorded as present at the time of 9:36 a.m.

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

August 13, 2013

0 YEAS

0 NAYS

12 PRESENT

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

E – Denotes Excused Absence



## **II. Chairman's Remarks**

Chairman Brandt welcomed Member Lonstein to the Authority, and expressed his desire to meet in Springfield now that the Authority has reached its full statutory strength of fifteen Members.

Chairman Brandt thanked Vice Chairman Goetz for capably presiding over deliberations at the meetings last month.

Finally, Chairman Brandt discussed Agenda Item 9 of Project Reports and Resolutions (Resolution Ratifying the Actions of the Executive Director of the Illinois Finance Authority in Applying for a New Markets Tax Credit allocation for the IFA and Delegating to the Executive Director the Authority to Perform all Further Actions Necessary to Secure the Allocation) that will be before the Committee. Chairman Brandt requested the collective thoughts of Members in connection with their desired level of involvement as it pertains to the New Markets Tax Credit process. Chairman Brandt shared his view that management and staff should operate the program, and to the extent that an application is ready for submittal to the United States Department of Treasury, Members would then review it and approve.

## **III. Message from the Executive Director**

Executive Director Meister welcomed Member Lonstein to the Authority.

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

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

Additionally, Executive Director Meister stated that he expects HB 2748 to be signed into law in the near future. HB 2748 (Representative Josh Harms; Senator Jason Barickman) also passed both houses of the General Assembly. This bill memorializes the intent of the late Senator Vince Demuzio and former Representative Gary Hannig, the sponsors of Senate Bill 1075 (P.A. 93-205) which was the bill that created the Authority in the 93<sup>rd</sup> General Assembly, that at any point in time at least two Members of the Authority have expertise in agribusiness or production agriculture.

Next, Executive Director Meister welcomed Kevin Riordan, Vice President of Mesirow Financial, Inc. Executive Director Meister stated that the Authority has increased its Public Officials Liability/Employment Practices Liability coverage.

Then, Executive Director Meister congratulated Rich Frampton on his reappointment as a Board Member of the Council of Development Finance Agencies ("CDFA"). Mr. Frampton's service on the CDFA

Board provides the Authority with an important tool for extending its agenda on Capitol Hill in Washington, D.C.

Finally, Executive Director Meister informed the Committee that Ms. Granda will be returning to the Authority as Controller and Mr. Anosike has been hired as Chief Financial Officer. Chairman Brandt welcomed Mr. Anosike to the Authority.

## **V. Presentation and Consideration of the Financial Statements**

### ***Revenue***

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

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

### ***Expenses***

Total Expenses for July 2013 is \$241,997; which is \$96,446 or 28.5% favorable to budget for the month and Year-To-Date (“YTD”) periods. The primary drivers for July’s expense performance were lower employee-related and professional services costs; reflecting delayed staffing, legal and other miscellaneous expenses.

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

### ***Net Income***

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

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

### ***Fiscal Year 2013 Audit***

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

Chairman Brandt reiterated for Members of the Committee that during the height of the economy, the Authority had Total Operating Revenue of nearly \$10.0 million per annum; however, in recent years Total Revenue has significantly declined due to the economic downturn. Chairman Brandt expressed his hope that the Authority can discover new product offerings to generate additional Revenue.

#### **IV. Consideration of the Minutes**

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on July 9, 2013 or any errors in the Minutes of the regular meeting of the Board held on July 9, 2013.

Member Pedersen moved for the adoption of the Minutes of the regular meeting of the Committee held on July 9, 2013.

Member Poole seconded the motion.

The motion prevailed and the Minutes were adopted.

#### **VI. Committee Reports**

Executive Director Meister reported that the Agriculture Committee did not meet and the Venture Capital Committee continues to work on reviving plans for a Venture Capital portfolio.

##### ***Healthcare Committee***

Vice Chairman Goetz reported that the Healthcare Committee reviewed the Presence Health Network project.

The Healthcare Committee also reviewed two projects for Final Bond Resolution consideration - Peace Village and Illinois College of Optometry.

##### ***Venture Capital Committee***

Chairman Brandt explained that there is a tremendous amount of interest in the Authority's launching of a new Venture Capital portfolio.

Discussing the venture capital industry, Chairman Brandt explained that a civic group led by J.B. Pritzker intends to push the bio-science and clean-tech growth agenda in his role as co-chair of Mayor Rahm Emanuel's ChicagoNEXT, a committee designed to create jobs and boost investment in digital technology.

The group is presently seeking approximately 40,000 square feet to serve as an incubator, preferably in the Near North Side of Chicago, similar in fashion to 1871 at Merchandise Mart. Chairman Brandt explained that property within the Illinois Medical District was being considered for the biotech incubator.

The civic committee is seeking a location which is highly accessible via public transportation.

As the Authority will not hire additional staff for the new fund, it is probable that the agency will be investing alongside local venture-capital firms that are looking for an infusion to "top off" a round of startup financing.

Then, Executive Director Meister commented that Claire Bushey, Freelance Reporter of Crain Communications, Inc., who regularly reports on Authority meetings, will be leaving her position to further her education at City University London.

Next, Kevin Riordan of Mesirow Financial, Inc. presented the new coverage limits for the Authority's Public Officials Liability/Employment Practices Liability insurance. Mr. Riordan explained that Illinois National Insurance Co. provides primary aggregate coverage of \$15.0 million and RSUI Indemnity Co. provides excess limit aggregate coverage of \$10.0 million for Public Officials Liability/Employment Practices Liability. The coverage provided by these carriers was a renewal of last year's insurance policies, as premium costs remained relatively flat.

Mr. Riordan explained to Members of the Committee that an additional layer of \$5.0 million in excess coverage is being provided this year by Ace/Westchester. This was due to the very favorable costs associated with retaining this excess coverage. Together with the renewal of last year's primary coverage and excess coverage, Public Officials Liability/Employment Practices Liability insurance coverage is now \$30.0 million.

Chairman Brandt inquired if a claim has ever been made under the Public Officials Liability/Employment Practices Liability policies by the Authority. It was confirmed a claim has never been made. In fact, Mr. Riordan stated that these policies are cheaper in comparison to standard Director and Officer insurance coverage because of the statutory protections provided by law to Members.

Member Leonard, Member Parish and Executive Director Meister engaged in a conversation regarding the acquisition of an additional \$5.0 million in excess coverage. Executive Director Meister explained that the additional excess coverage was acquired because of its relatively cheap costs. Furthermore, in recognition of Members serving the Authority as volunteers, it is believed that this additional excess coverage may help recruit talented Members.

Subsequently, Executive Director Meister requested Ms. O'Brien to update the Committee on the Authority's Deferred Action for Childhood Arrivals ("DACA") Loan Program. Ms. O'Brien reported that after receiving the approval of the Board of Directors last month, the Authority now plans to begin the re-lending program that will enable talented applicants to medical and dental school who have DACA status to afford a medical and dental school education in Illinois. The Authority will lend money to the medical and dental schools, which will lend it to eligible students and administer the loans. In return, the students will agree to practice in underserved areas after graduation. This re-lending program will cover tuition and fees (currently approximately \$50,000 annually).

A tentative timeline for the DACA Loan Program was presented and Ms. O'Brien confirmed for the Committee that admissions will begin next year at participating medical and dental schools. Chairman Brandt noted the delay is due in part because admissions policies must be altered at these respective schools to accept an incoming student without a Social Security number.

Chairman Brandt also noted students in the DACA Loan Program must agree to work in an underserved community in Illinois after they complete medical or dental school. For each year the student receives the loan, they must practice full-time as a physician or dentist in a community in Illinois designated by the Illinois Department of Public Health ("IDPH") as being an underserved area for one year. For Loyola University Chicago, the University will administer the Program, but the students will sign a promissory note from the Authority and thus remain liable to the Authority for principal and interest on the loan.

Chairman Brandt, Member Leonard, Member Lonstein and Executive Director Meister engaged in a conversation concerning the DACA Loan Program's loan repayment schedule for students with DACA status.

Finally, Chairman Brandt inquired about the Authority's Loan Portfolio Watch List. Specifically, Chairman Brandt asked if there was any news to report to the Committee for IFA Loan #2008-DR-0801 or other loans and guarantees that have entered bankruptcy. Executive Director Meister clarified that for IFA Loan #2008-DR-0801, the Authority revoked its guarantee due to proper notification of borrower status by Litchfield National Bank. Moreover, Chairman Brandt and Executive Director Meister provided a brief history for the Committee about prior conduit bond financings, and the relatively few defaults compared to total volume of issuance.

## **VII. Project Reports and Resolutions**

Mr. Frampton presented the following projects:

### ***Local Government Projects***

**Item 1:** Item 1 is a request for Local Government Revenue Bond financing.

**East Richland Community Unit School District Number 1** is requesting approval of a **Final** Bond Resolution authorizing the issuance of Illinois Finance Authority Local Government Program Refunding Revenue Bonds, Series 2013 and execution and delivery of all related agreements and related matters, in an amount not-to-exceed **Twenty-One Million Five Hundred Thousand Dollars** (\$21,500,000). This project is being presented for one-time consideration.

The Authority will issue its Local Government Program Revenue Bonds for the purpose of purchasing Local Government Securities of East Richland Community Unit School District Number 1 (hereinafter, the "**District**") under the Authority's Illinois Local Government Financing Assistance Program for the ultimate purposes of (and including but not limited to) providing the District with all or a portion of the funds necessary to (i) advance refund the District's outstanding General Obligation School Bonds, Series 2008, dated November 26, 2008, (also, the "**Series 2008 Bonds**" or the "**Prior Bonds**") and (ii) prospectively, pay costs of issuance.

Member Lonstein inquired if the Authority was the issuer of the Prior Bonds; Mr. Frampton confirmed that was correct.

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

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

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

**Columbia College Chicago** is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Seventeen Million Dollars** (\$17,000,000).

Bond proceeds will be used by **Columbia College Chicago** (hereinafter the "**College**") for the purposes of (and including but not limited to) providing the College with all or a portion of the funds necessary to (i) refund all or a portion of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003

(the “**Series 2003 Bonds**”), (ii) fund one or more debt service reserve funds for the benefit of the Bonds, if deemed necessary or appropriate, and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, including costs of credit or liquidity enhancement, if any (and collectively, the “**Financing Purposes**”).

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

**Noble Network of Charter Schools** is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Twenty-One Million Five Hundred Thousand Dollars** (\$21,500,000).

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

Ms. O’Brien presented the following project:

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

The **Illinois College of Optometry** is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Forty-Two Million Dollars** (\$42,000,000). This project is being presented for one-time consideration.

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

Ms. Lenane presented the following project and resolution:

***Healthcare Projects***

**Item 5:** Item 5 is a request for 501(c)(3) Revenue Bond financing.

**Peace Village** is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Thirty Million Dollars** (\$30,000,000).

Bond proceeds will be used by **Peace Village** (hereinafter, the “**Borrower**”) to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower’s senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding

principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the “**Series 2003A Bonds**”); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the “**Series 2003B Bonds**” and, together with the Series 2003A Bonds, the “**Prior Bonds**”); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

### *Resolutions*

**Item 7:** Item 7 is a Resolution Authorizing Actions to Assist with the Proposed Affiliation of Northwestern Memorial HealthCare and Northwestern Medical Faculty Foundation

Ms. O’Brien presented the following project and resolution:

### *Healthcare*

**Item 6:** Item 6 is a request for 501(c)(3) Revenue Bond financing.

**Presence Health Network** is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Two Hundred Fifteen Million Dollars** (\$215,000,000).

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

### *Resolutions*

**Item 8:** Item 8 is a Resolution Approving a Procurement Policy for Legal, Financial and Other Professional and Artistic Services and Related Matters

Executive Director Meister confirmed that Mr. Anosike was involved in the collaborative effort of this procurement policy.

Chairman Brandt and Ms. O'Brien engaged in a conversation about the procurement policy; specifically, the Authority will still publish procurements in the Procurement Bulletin since the Authority is still subject to certain requirements of the Procurement Code.

Chairman Brandt and Member Lonstein engaged in a conversation concerning the Authority's Diversity Committee. Chairman Brandt provided a brief history, from its creation to its current need for resuscitation.

Executive Director Meister highlighted Authority initiatives that reflect an aspiration to benefit minorities, such as (i) a March 2013 Resolution authorizing the Authority to fund and administer a pilot program to provide working capital participation loans to small and emerging contractors to assist them in obtaining surety bonding for public works contracts in Illinois and (ii) the DACA Loan Program.

Chairman Brandt and Member Knox explained to the Committee that the Authority cannot direct borrowers and bond underwriters to hire minority firms as co-managers on conduit transactions; it can simply encourage it. Member Knox stated that the Authority remains committed to diversity endeavors.

Ms. Lenane presented the following resolution:

***Resolutions***

**Item 9:** Item 9 is a Resolution Ratifying the Actions of the Executive Director of the Illinois Finance Authority ("IFA") in Applying for a New Markets Tax Credit allocation for the IFA and Delegating to the Executive Director the Authority to Perform all Further Actions Necessary to Secure the Allocation

Ms. Lenane noted that on August 7, 2013, the Authority applied to form an Illinois not-for-profit 501(c)(3) corporation for the purpose of creating a Community Development Entity ("CDE") to apply for an allocation of New Markets Tax Credit with the Community Development Financial Institutions Fund ("CDFI Fund").

Vice Chairman Goetz explained which types of projects can utilize a New Markets Tax Credit.

Executive Director Meister informed the Committee that the application deadline is September 18, 2013 and provided context as to the competitive nature of New Markets Tax Credit awards. As a result of the impending deadline, the Authority is seeking a procurement of consulting services for New Markets Tax Credit under an emergency exception.

**VIII. Other Business**

None.

**IX. Public Comment**

None.

**X. Adjournment**

At the time of 10:36 a.m., Member Fuentes moved that the Committee do now adjourn until September 10, 2013, 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  
TUESDAY, AUGUST 13, 2013  
10:45 A.M.**

## **I. Call to Order & Roll Call**

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of August in the year 2013, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), 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: 13 Present.

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

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

August 13, 2013

0 YEAS

0 NAYS

13 PRESENT

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

E – Denotes Excused Absence

## **II. Chairman's Remarks**

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

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on August 13, 2013, reported the same back and that all items were thoroughly reviewed.

## **III. Adoption of the Minutes**

Minutes of the regular meeting of the Board held on July 9, 2013 and the Financial Statements for the Month Ended July 31, 2013 were taken up for consideration.

Vice Chairman Goetz moved for the adoption of the Minutes and the Financial Statements.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 13 yeas; 0 Nays; 0 Answering Present.

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

## **IV. Acceptance of the Financial Statements**

See Agenda Item III.

## **V. Approval of Project Reports and Resolutions**

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

Mr. Frampton presented the following projects:

### ***Local Government Projects***

**Item 1:** Item 1 is a request for Local Government Revenue Bond financing.

**East Richland Community Unit School District Number 1** is requesting approval of a **Final** Bond Resolution authorizing the issuance of Illinois Finance Authority Local Government Program Refunding Revenue Bonds, Series 2013 and execution and delivery of all related agreements and related matters, in an amount not-to-exceed **Twenty-One Million Five Hundred Thousand Dollars** (\$21,500,000). This project is being presented for one-time consideration.

The Authority will issue its Local Government Program Revenue Bonds for the purpose of purchasing Local Government Securities of East Richland Community Unit School District Number 1 (hereinafter, the "**District**") under the Authority's Illinois Local Government Financing Assistance Program for the ultimate purposes of (and including but not limited to) providing the District with all or a portion of the funds necessary to (i) advance refund the District's outstanding General Obligation School Bonds, Series 2008, dated November 26, 2008, (also, the "**Series 2008 Bonds**" or the "**Prior Bonds**") and (ii) prospectively, pay costs of issuance.

Vice Chairman Goetz 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: 13 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 and resolutions without expected guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

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

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

**Columbia College Chicago** is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Seventeen Million Dollars** (\$17,000,000).

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

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

**Noble Network of Charter Schools** is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Twenty-One Million Five Hundred Thousand Dollars** (\$21,500,000).

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

***Healthcare Projects***

**Item 5:** Item 5 is a request for 501(c)(3) Revenue Bond financing.

**Peace Village** is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Thirty Million Dollars** (\$30,000,000).

Bond proceeds will be used by **Peace Village** (hereinafter, the “**Borrower**”) to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling

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

**Item 6:** Item 6 is a request for 501(c)(3) Revenue Bond financing.

**Presence Health Network** is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Two Hundred Fifteen Million Dollars** (\$215,000,000).

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

### ***Resolutions***

**Item 7:** Item 7 is a Resolution Authorizing Actions to Assist with the Proposed Affiliation of Northwestern Memorial HealthCare and Northwestern Medical Faculty Foundation

**Item 8:** Item 8 is a Resolution Approving a Procurement Policy for Legal, Financial and Other Professional and Artistic Services and Related Matters

**Item 9:** Item 9 is a Resolution Ratifying the Actions of the Executive Director of the Illinois Finance Authority (“IFA”) in Applying for a New Market Tax Credits allocation for the IFA and Delegating to the Executive Director the Authority to Perform all Further Actions Necessary to Secure the Allocation

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects and resolutions: Items 2, 3, 5, 6, 7, 8 and 9.

Leave was granted.

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

Chairman Brandt directed Mr. Frampton to present the project with expected guests to the Board.

Mr. Frampton presented the following project:

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

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

The **Illinois College of Optometry** is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Forty-Two Million Dollars** (\$42,000,000). This project is being presented for one-time consideration.

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

Chairman Brandt announced that Mr. John Budzynski, Chief Financial Officer of Illinois College of Optometry, was present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Budzynski.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following project: Item 4.

Leave was granted.

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

**VI. Other Business**

None.

**VII. Public Comment**

None.

**VIII. Adjournment**

At the time of 10:57 a.m., Vice Chairman Goetz moved that the Board do now adjourn until September 10, 2013, at 10:30 a.m.

Member Parish seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

## Financial Analysis

As of August 31, 2013

The Illinois Finance Authority (IFA) ended the month of August 2013 with a \$28,941 Operating Net Income. On a Fiscal Year basis, IFA's Operating Net Income of \$112,944 is 152% better than budget.

### Revenue

Total Revenue for August 2013 is \$319,453; which is \$41,377 or 11.5% negative to budget. Significant revenues drivers for the month were Investment Interest and Administration & Application Fees which were below budget by \$15,329 and \$35,053 respectively.

The Authority closed 5 transactions in August 2013 supporting Agriculture (1), Healthcare (2) and Local Government (2) activities across the State of Illinois; resulting in Administration and Closing Fee of \$284,252. [See Page 1, Financial Statements].

For the Year, Total Revenues is \$645,453 compared to a budget of \$721,660; with the same factors impacting revenue performance over both financial periods. Compared to August 2012 Actual, Total Revenue is up by \$39,978 or 14.3% but down for the year due to bad debt recoveries in 2012.

### Expenses

Total Expenses for August 2013 is \$290,512; which is 14.2% or \$47,931 favorable to budget for the month. The primary drivers for August's better than budget expense performance were lower employee-related and professional services costs; reflecting delayed staffing, as well as lower legal and consulting expenses. [See Page 2, Financial Statements].

For the Year, Total Expenses is lower than budget by 21.3% or \$144,377. All expense categories contributed to the positive expense performance. Compared to August 2012, Total Expenses is up slightly for the month but is \$36,562 below 2012 YTD Actual.

### Net Income

Net Income for August 2013 is \$6,554 better than budget of \$22,387. For the year, Net Income is \$68,170 better than budget. Compared to same period last year, Net Income is lower for the month and year periods due to bad debt recovery and Venture Capital transfer-in in 2012.



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

	Actual August 2013	Budget August 2013	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2014	Budget YTD FY 2014	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2014	% of Budget Expended
<b>REVENUE</b>										
INTEREST ON LOANS	13,012	13,429	(417)	-3.1%	26,149	26,858	(709)	-2.6%	161,148	16.2%
INVESTMENT INTEREST & GAIN(LOSS)	1,338	16,667	(15,329)	-92.0%	2,777	33,334	(30,557)	-91.7%	200,000	1.4%
ADMINISTRATIONS & APPLICATION FEES	284,252	319,305	(35,053)	-11.0%	579,544	638,610	(59,066)	-9.2%	3,638,400	15.9%
ANNUAL ISSUANCE & LOAN FEES	16,369	6,129	10,240	167.1%	32,459	12,258	20,201	164.8%	73,545	44.1%
OTHER INCOME	4,483	5,300	(817)	-15.4%	4,523	10,600	(6,077)	-57.3%	63,601	7.1%
<b>TOTAL REVENUE</b>	<b>319,453</b>	<b>360,830</b>	<b>(41,377)</b>	<b>-11.5%</b>	<b>645,453</b>	<b>721,660</b>	<b>(76,207)</b>	<b>-10.6%</b>	<b>4,136,694</b>	<b>15.6%</b>
<b>EXPENSES</b>										
<b>EMPLOYEE RELATED EXPENSES</b>										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	135,863	142,581	(6,718)	-4.7%	265,182	285,162	(19,980)	-7.0%	1,710,974	15.5%
BENEFITS	18,077	22,711	(4,634)	-20.4%	35,769	45,422	(9,653)	-21.3%	272,537	13.1%
EDUCATION & DEVELOPMENT	3,842	500	3,342	668.3%	4,002	1,000	3,002	300.2%	6,000	66.7%
TRAVEL & AUTO	4,711	4,583	128	2.8%	6,181	9,166	(2,985)	-32.6%	55,000	11.2%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>162,492</b>	<b>170,375</b>	<b>(7,883)</b>	<b>-4.6%</b>	<b>311,133</b>	<b>340,750</b>	<b>(29,617)</b>	<b>-8.7%</b>	<b>2,044,511</b>	<b>15.2%</b>
<b>PROFESSIONAL SERVICES</b>										
CONSULTING, LEGAL & ADMIN	26,626	41,667	(15,041)	-36.1%	30,965	83,334	(52,369)	-62.8%	500,000	6.2%
LOAN EXPENSE & BANK FEE	8,080	8,334	(254)	-3.0%	15,499	16,668	(1,169)	-7.0%	100,000	15.5%
ACCOUNTING & AUDITING	20,519	25,834	(5,315)	-20.6%	38,583	51,668	(13,085)	-25.3%	310,000	12.4%
MARKETING GENERAL	102	833	(731)	-87.8%	1,050	1,666	(616)	-37.0%	10,000	10.5%
FINANCIAL ADVISORY	5,069	8,333	(3,264)	-39.2%	7,150	16,666	(9,516)	-57.1%	100,000	7.2%
CONFERENCE/TRAINING	1,035	2,083	(1,048)	-50.3%	1,320	4,166	(2,846)	-68.3%	25,000	5.3%
MISC. PROFESSIONAL SERVICES	4,206	6,667	(2,461)	-36.9%	4,206	13,334	(9,128)	-68.5%	80,000	5.3%
DATA PROCESSING	4,953	14,167	(9,214)	-65.0%	11,937	28,334	(16,397)	-57.9%	170,000	7.0%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>70,589</b>	<b>107,918</b>	<b>(37,329)</b>	<b>-34.6%</b>	<b>110,710</b>	<b>215,836</b>	<b>(105,126)</b>	<b>-48.7%</b>	<b>1,295,000</b>	<b>8.5%</b>
<b>OCCUPANCY COSTS</b>										
OFFICE RENT	21,038	21,667	(629)	-2.9%	42,306	43,334	(1,028)	-2.4%	260,000	16.3%
EQUIPMENT RENTAL AND PURCHASES	551	1,250	(699)	-55.9%	1,484	2,500	(1,016)	-40.7%	15,000	9.9%
TELECOMMUNICATIONS	2,711	2,917	(206)	-7.1%	5,461	5,834	(373)	-6.4%	35,000	15.6%
UTILITIES	796	1,000	(204)	-20.4%	1,614	2,000	(386)	-19.3%	12,000	13.5%
DEPRECIATION	3,737	3,792	(55)	-1.4%	7,474	7,584	(110)	-1.4%	45,500	16.4%
INSURANCE	505	2,083	(1,578)	-75.7%	1,009	4,166	(3,157)	-75.8%	25,000	4.0%
<b>TOTAL OCCUPANCY COSTS</b>	<b>29,338</b>	<b>32,709</b>	<b>(3,371)</b>	<b>-10.3%</b>	<b>59,348</b>	<b>65,418</b>	<b>(6,070)</b>	<b>-9.3%</b>	<b>392,500</b>	<b>15.1%</b>

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

	Actual August 2013	Budget August 2013	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2014	Budget YTD FY 2014	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2014	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	1,932	2,983	(1,051)	-35.2%	4,695	5,966	(1,271)	-21.3%	35,800	13.1%
BOARD MEETING - EXPENSES	2,164	2,500	(336)	-13.5%	3,190	5,000	(1,810)	-36.2%	30,000	10.6%
PRINTING	461	667	(206)	-30.9%	875	1,334	(460)	-34.4%	8,000	10.9%
POSTAGE & FREIGHT	871	1,250	(379)	-30.3%	1,696	2,500	(804)	-32.2%	15,000	11.3%
MEMBERSHIP, DUES & CONTRIBUTIONS	3,053	2,500	553	22.1%	3,281	5,000	(1,719)	-34.4%	30,000	10.9%
PUBLICATIONS	-	208	(208)	-100.0%	0	416	(416)	-100.0%	2,500	0.0%
OFFICERS & DIRECTORS INSURANCE	19,612	17,333	2,279	13.1%	37,580	34,666	2,914	8.4%	208,000	18.1%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>28,092</b>	<b>27,441</b>	<b>651</b>	<b>2.4%</b>	<b>51,317</b>	<b>54,882</b>	<b>(3,565)</b>	<b>-6.5%</b>	<b>329,300</b>	<b>15.6%</b>
LOAN LOSS PROVISION/BAD DEBT	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
OTHER										
INTEREST EXPENSE	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
<b>TOTAL OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL EXPENSES</b>	<b>290,512</b>	<b>338,443</b>	<b>(47,931)</b>	<b>-14.2%</b>	<b>532,509</b>	<b>676,886</b>	<b>(144,377)</b>	<b>-21.3%</b>	<b>4,061,311</b>	<b>13.1%</b>
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	28,941	22,387	6,554	29.3%	112,944	44,774	68,170	152.3%	75,383	149.8%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
TRANSFER	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
REVENUE GRANT	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
APPROPRIATIONS FROM STATE	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
<b>NET INCOME/(LOSS)</b>	<b>28,941</b>	<b>22,387</b>	<b>6,554</b>	<b>29.3%</b>	<b>112,944</b>	<b>44,774</b>	<b>68,170</b>	<b>152.3%</b>	<b>75,383</b>	<b>149.8%</b>

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

	Actual August 2013	Actual August 2012	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2014	Actual YTD FY 2013	Year to Date Variance Actual vs. Actual	YTD % Variance
<b>REVENUE</b>								
INTEREST ON LOANS	13,012	21,539	(8,527)	-39.6%	26,149	43,226	(17,077)	-39.5%
INVESTMENT INTEREST & GAIN(LOSS)	1,338	4,032	(2,694)	-66.8%	2,777	7,302	(4,525)	-62.0%
ADMINISTRATIONS & APPLICATION FEES	284,252	80,735	203,517	252.1%	579,544	504,436	75,108	14.9%
ANNUAL ISSUANCE & LOAN FEES	16,369	29,861	(13,492)	-45.2%	32,459	57,514	(25,055)	-43.6%
OTHER INCOME	4,483	143,308	(138,825)	-96.9%	4,523	148,474	(143,951)	-97.0%
<b>TOTAL REVENUE</b>	<b>319,453</b>	<b>279,475</b>	<b>39,978</b>	<b>14.3%</b>	<b>645,453</b>	<b>760,952</b>	<b>(115,499)</b>	<b>-15.2%</b>
<b>EXPENSES</b>								
<b>EMPLOYEE RELATED EXPENSES</b>								
COMPENSATION & TAXES	135,863	111,076	24,787	22.3%	265,182	225,575	39,607	17.6%
BENEFITS	18,077	19,615	(1,538)	-7.8%	35,769	39,680	(3,911)	-9.9%
EDUCATION & DEVELOPMENT	3,842	150	3,692	2461.0%	4,002	150	3,852	2567.7%
TRAVEL & AUTO	4,711	4,294	417	9.7%	6,181	5,974	207	3.5%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>162,492</b>	<b>135,135</b>	<b>27,357</b>	<b>20.2%</b>	<b>311,133</b>	<b>271,379</b>	<b>39,754</b>	<b>14.6%</b>
<b>PROFESSIONAL SERVICES</b>								
CONSULTING, LEGAL & ADMIN	26,626	38,140	(11,514)	-30.2%	30,965	75,695	(44,730)	-59.1%
LOAN EXPENSE & BANK FEE	8,080	7,966	114	1.4%	15,499	17,931	(2,432)	-13.6%
ACCOUNTING & AUDITING	20,519	29,415	(8,896)	-30.2%	38,583	55,042	(16,459)	-29.9%
MARKETING GENERAL	102	105	(3)	-2.8%	1,050	1,944	(894)	-46.0%
FINANCIAL ADVISORY	5,069	8,333	(3,264)	-39.2%	7,150	16,666	(9,516)	-57.1%
CONFERENCE/TRAINING	1,035	1,600	(565)	-35.3%	1,320	3,525	(2,205)	-62.6%
MISC. PROFESSIONAL SERVICES	4,206	6,250	(2,044)	-32.7%	4,206	12,500	(8,294)	-66.4%
DATA PROCESSING	4,953	2,206	2,747	124.5%	11,937	5,392	6,545	121.4%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>70,589</b>	<b>94,015</b>	<b>(23,426)</b>	<b>-24.9%</b>	<b>110,710</b>	<b>188,695</b>	<b>(77,985)</b>	<b>-41.3%</b>
<b>OCCUPANCY COSTS</b>								
OFFICE RENT	21,038	21,240	(203)	-1.0%	42,306	42,480	(174)	-0.4%
EQUIPMENT RENTAL AND PURCHASES	551	1,046	(495)	-47.3%	1,484	1,987	(503)	-25.3%
TELECOMMUNICATIONS	2,711	1,031	1,680	163.0%	5,461	4,081	1,380	33.8%
UTILITIES	796	943	(147)	-15.6%	1,614	1,843	(229)	-12.4%
DEPRECIATION	3,737	3,621	116	3.2%	7,474	7,314	160	2.2%
INSURANCE	505	1,951	(1,446)	-74.1%	1,009	3,900	(2,891)	-74.1%
<b>TOTAL OCCUPANCY COSTS</b>	<b>29,338</b>	<b>29,832</b>	<b>(494)</b>	<b>-1.7%</b>	<b>59,348</b>	<b>61,605</b>	<b>(2,257)</b>	<b>-3.7%</b>

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

	Actual August 2013	Actual August 2012	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2014	Actual YTD FY 2013	Year to Date Variance Actual vs. Actual	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	1,932	1,168	764	65.4%	4,695	4,855	(160)	-3.3%
BOARD MEETING - EXPENSES	2,164	2,053	111	5.4%	3,190	4,253	(1,063)	-25.0%
PRINTING	461	500	(39)	-7.9%	875	1,092	(218)	-19.9%
POSTAGE & FREIGHT	871	2,808	(1,937)	-69.0%	1,696	3,646	(1,950)	-53.5%
MEMBERSHIP, DUES & CONTRIBUTIONS	3,053	369	2,684	727.5%	3,281	1,877	1,404	74.8%
PUBLICATIONS	-	-	-	0.0%	0	19	(19)	-100.0%
OFFICERS & DIRECTORS INSURANCE	19,612	16,542	3,070	18.6%	37,580	31,650	5,930	18.7%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>28,092</b>	<b>23,440</b>	<b>4,652</b>	<b>19.8%</b>	<b>51,317</b>	<b>47,392</b>	<b>3,925</b>	<b>8.3%</b>
LOAN LOSS PROVISION/BAD DEBT	-	-	-	0.0%	-	-	-	0.0%
OTHER								
INTEREST EXPENSE	-	-	-	0.0%	-	-	-	0.0%
<b>TOTAL OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL EXPENSES</b>	<b>290,512</b>	<b>282,422</b>	<b>8,090</b>	<b>2.9%</b>	<b>532,509</b>	<b>569,071</b>	<b>(36,562)</b>	<b>-6.4%</b>
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	28,941	(2,947)	31,888	-1082.0%	112,944	191,881	(78,937)	-41.1%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.0%	-	-	-	0.0%
TRANSFER	-	317,153	(317,153)	-100.0%	-	317,153	(317,153)	-100.0%
REVENUE GRANT	-	-	-	0.0%	-	-	-	0.0%
APPROPRIATIONS FROM STATE	-	-	-	0.0%	-	-	-	0.0%
<b>NET INCOME/(LOSS)</b>	<b>28,941</b>	<b>314,206</b>	<b>(285,265)</b>	<b>-90.8%</b>	<b>112,944</b>	<b>509,034</b>	<b>(396,090)</b>	<b>-77.8%</b>

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

	August 2013	August 2012
<b>ASSETS</b>		
CASH & INVESTMENTS, UNRESTRICTED	\$ 44,852,511	\$ 41,285,500
RECEIVABLES, NET	183,113	152,096
LOAN RECEIVABLE, NET	4,105,005	6,174,257
OTHER RECEIVABLES	37,917	52,909
PREPAID EXPENSES	245,966	230,854
TOTAL CURRENT ASSETS	49,424,512	47,895,617
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	109,147	101,019
DEFERRED ISSUANCE COSTS	203,545	239,430
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	875,609	875,064
OTHER	(7,599)	7,669
TOTAL OTHER ASSETS	868,010	882,733
TOTAL ASSETS	\$ 50,605,214	\$ 49,118,798
<b>LIABILITIES</b>		
CURRENT LIABILITIES	\$ 882,823	\$ 532,762
LONG-TERM LIABILITIES	297,778	353,407
TOTAL LIABILITIES	1,180,601	886,169
EQUITY		
CONTRIBUTED CAPITAL	4,111,479	4,111,479
RETAINED EARNINGS	33,228,893	31,640,819
NET INCOME / (LOSS)	112,944	509,034
RESERVED/RESTRICTED FUND BALANCE	1,732,164	1,732,164
UNRESERVED FUND BALANCE	10,239,134	10,239,134
TOTAL EQUITY	49,424,613	48,232,629
TOTAL LIABILITIES & EQUITY	\$ 50,605,214	\$ 49,118,798

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

	Actual August 2013	Budget August 2013	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2014	Budget YTD FY 2014	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2014	% of Budget Expended
<b>REVENUE</b>										
INTEREST ON LOANS	141,042	139,618	1,424	1.0%	282,216	284,026	(1,810)	-0.6%	1,695,369	16.6%
INVESTMENT INTEREST & GAIN(LOSS)	48,212	62,277	(14,065)	-22.6%	89,255	124,554	(35,299)	-28.3%	747,320	11.9%
ADMINISTRATIONS & APPLICATION FEES	284,252	319,305	(35,053)	-11.0%	579,544	638,610	(59,066)	-9.2%	3,638,400	15.9%
ANNUAL ISSUANCE & LOAN FEES	16,369	6,129	10,240	167.1%	32,459	12,258	20,201	164.8%	73,545	44.1%
OTHER INCOME	44,813	42,050	2,763	6.6%	63,248	84,100	(20,852)	-24.8%	504,595	12.5%
<b>TOTAL REVENUE</b>	<b>534,688</b>	<b>569,379</b>	<b>(34,691)</b>	<b>-6.1%</b>	<b>1,046,722</b>	<b>1,143,548</b>	<b>(96,826)</b>	<b>-8.5%</b>	<b>6,659,229</b>	<b>15.7%</b>
<b>EXPENSES</b>										
<b>EMPLOYEE RELATED EXPENSES</b>										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	135,863	142,581	(6,718)	-4.7%	265,182	285,162	(19,980)	-7.0%	1,710,974	15.5%
BENEFITS	18,077	22,711	(4,634)	-20.4%	35,769	45,422	(9,653)	-21.3%	272,537	13.1%
EDUCATION & DEVELOPMENT	3,842	500	3,342	668.3%	4,002	1,000	3,002	300.2%	6,000	66.7%
TRAVEL & AUTO	4,711	4,583	128	2.8%	6,181	9,166	(2,985)	-32.6%	55,000	11.2%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>162,492</b>	<b>170,375</b>	<b>(7,883)</b>	<b>-4.6%</b>	<b>311,133</b>	<b>340,750</b>	<b>(29,617)</b>	<b>-8.7%</b>	<b>2,044,511</b>	<b>15.2%</b>
<b>PROFESSIONAL SERVICES</b>										
CONSULTING, LEGAL & ADMIN	28,709	43,750	(15,041)	-34.4%	35,131	87,500	(52,369)	-59.9%	524,996	6.7%
LOAN EXPENSE & BANK FEE	158,080	158,334	(254)	-0.2%	315,499	316,668	(1,169)	-0.4%	1,900,000	16.6%
ACCOUNTING & AUDITING	20,519	27,324	(6,805)	-24.9%	38,583	54,648	(16,065)	-29.4%	327,880	11.8%
MARKETING GENERAL	102	833	(731)	-87.8%	1,050	1,666	(616)	-37.0%	10,000	10.5%
FINANCIAL ADVISORY	5,069	8,333	(3,264)	-39.2%	7,150	16,666	(9,516)	-57.1%	100,000	7.2%
CONFERENCE/TRAINING	1,035	2,083	(1,048)	-50.3%	1,320	4,166	(2,846)	-68.3%	25,000	5.3%
MISC. PROFESSIONAL SERVICES	7,456	9,917	(2,461)	-24.8%	10,706	19,834	(9,128)	-46.0%	119,000	9.0%
DATA PROCESSING	4,953	14,167	(9,214)	-65.0%	11,937	28,334	(16,397)	-57.9%	170,000	7.0%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>225,922</b>	<b>264,741</b>	<b>(38,819)</b>	<b>-14.7%</b>	<b>421,376</b>	<b>529,482</b>	<b>(108,106)</b>	<b>-20.4%</b>	<b>3,176,876</b>	<b>13.3%</b>
<b>OCCUPANCY COSTS</b>										
OFFICE RENT	21,038	21,667	(629)	-2.9%	42,306	43,334	(1,028)	-2.4%	260,000	16.3%
EQUIPMENT RENTAL AND PURCHASES	551	1,250	(699)	-55.9%	1,484	2,500	(1,016)	-40.7%	15,000	9.9%
TELECOMMUNICATIONS	2,711	2,917	(206)	-7.1%	5,461	5,834	(373)	-6.4%	35,000	15.6%
UTILITIES	796	1,000	(204)	-20.4%	1,614	2,000	(386)	-19.3%	12,000	13.5%
DEPRECIATION	3,737	3,792	(55)	-1.4%	7,474	7,584	(110)	-1.4%	45,500	16.4%
INSURANCE	505	2,083	(1,578)	-75.7%	1,009	4,166	(3,157)	-75.8%	25,000	4.0%
<b>TOTAL OCCUPANCY COSTS</b>	<b>29,338</b>	<b>32,709</b>	<b>(3,371)</b>	<b>-10.3%</b>	<b>59,348</b>	<b>65,418</b>	<b>(6,070)</b>	<b>-9.3%</b>	<b>392,500</b>	<b>15.1%</b>

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

	Actual August 2013	Budget August 2013	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2014	Budget YTD FY 2014	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2014	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	1,932	2,983	(1,051)	-35.2%	4,695	5,966	(1,271)	-21.3%	35,800	13.1%
BOARD MEETING - EXPENSES	2,164	2,500	(336)	-13.5%	3,190	5,000	(1,810)	-36.2%	30,000	10.6%
PRINTING	461	667	(206)	-30.9%	875	1,334	(460)	-34.4%	8,000	10.9%
POSTAGE & FREIGHT	871	1,250	(379)	-30.3%	1,696	2,500	(804)	-32.2%	15,000	11.3%
MEMBERSHIP, DUES & CONTRIBUTIONS	3,053	2,500	553	22.1%	3,281	5,000	(1,719)	-34.4%	30,000	10.9%
PUBLICATIONS	-	208	(208)	-100.0%	-	416	(416)	-100.0%	2,500	0.0%
OFFICERS & DIRECTORS INSURANCE	19,612	17,333	2,279	13.1%	37,580	34,666	2,914	8.4%	208,000	18.1%
<b>TOTAL GENL &amp; ADMIN EXPENSES</b>	<b>28,092</b>	<b>27,441</b>	<b>651</b>	<b>2.4%</b>	<b>51,317</b>	<b>54,882</b>	<b>(3,565)</b>	<b>-6.5%</b>	<b>329,300</b>	<b>15.6%</b>
LOAN LOSS PROVISION/BAD DEBT	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
OTHER										
INTEREST EXPENSE	406	406	0	0.0%	812	812	0	0.0%	4,561	17.8%
<b>TOTAL OTHER</b>	<b>406</b>	<b>406</b>	<b>0</b>	<b>0.0%</b>	<b>812</b>	<b>812</b>	<b>0</b>	<b>0.0%</b>	<b>4,561</b>	<b>17.8%</b>
<b>TOTAL EXPENSES</b>	<b>446,251</b>	<b>495,672</b>	<b>(49,421)</b>	<b>-10.0%</b>	<b>843,987</b>	<b>991,344</b>	<b>(147,357)</b>	<b>-14.9%</b>	<b>5,947,748</b>	<b>14.2%</b>
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	88,437	73,707	14,730	20.0%	202,735	152,204	50,531	33.2%	711,481	28.5%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
TRANSFER	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
REVENUE GRANT	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
TRANSFER FROM STATE	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
<b>NET INCOME/(LOSS)</b>	<b>88,437</b>	<b>73,707</b>	<b>14,730</b>	<b>20.0%</b>	<b>202,735</b>	<b>152,204</b>	<b>50,531</b>	<b>33.2%</b>	<b>711,481</b>	<b>28.5%</b>

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

	Actual August 2013	Actual August 2012	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2014	Actual YTD FY 2013	Year to Date Variance Actual vs. Actual	YTD % Variance
<b>REVENUE</b>								
INTEREST ON LOANS	141,042	193,817	(52,775)	-27.2%	282,216	553,007	(270,791)	-49.0%
INVESTMENT INTEREST & GAIN(LOSS)	48,212	276,744	(228,532)	-82.6%	89,255	266,019	(176,764)	-66.4%
ADMINISTRATIONS & APPLICATION FEES	284,252	80,735	203,517	252.1%	579,544	504,436	75,107	14.9%
ANNUAL ISSUANCE & LOAN FEES	16,369	29,861	(13,492)	-45.2%	32,459	57,514	(25,055)	-43.6%
OTHER INCOME	44,813	196,188	(151,375)	-77.2%	63,248	219,544	(156,296)	-71.2%
<b>TOTAL REVENUE</b>	<b>534,688</b>	<b>777,345</b>	<b>(242,657)</b>	<b>-31.2%</b>	<b>1,046,722</b>	<b>1,600,519</b>	<b>(553,798)</b>	<b>-34.6%</b>
<b>EXPENSES</b>								
<b>EMPLOYEE RELATED EXPENSES</b>								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	135,863	111,076	24,787	22.3%	265,182	225,575	39,607	17.6%
BENEFITS	18,077	19,615	(1,538)	-7.8%	35,769	39,680	(3,911)	-9.9%
TEMPORARY HELP	-	-	-	0.0%	-	-	-	0.0%
EDUCATION & DEVELOPMENT	3,842	150	3,692	2461.0%	4,002	150	3,852	2567.7%
TRAVEL & AUTO	4,711	4,294	417	9.7%	6,181	5,974	207	3.5%
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>	<b>162,492</b>	<b>135,135</b>	<b>27,357</b>	<b>20.2%</b>	<b>311,133</b>	<b>271,378</b>	<b>39,755</b>	<b>14.6%</b>
<b>PROFESSIONAL SERVICES</b>								
CONSULTING, LEGAL & ADMIN	28,709	40,223	(11,514)	-28.6%	35,131	79,861	(44,730)	-56.0%
LOAN EXPENSE & BANK FEE	158,080	1,138,393	(980,313)	-86.1%	315,499	703,714	(388,214)	-55.2%
ACCOUNTING & AUDITING	20,519	30,714	(10,195)	-33.2%	38,583	57,640	(19,058)	-33.1%
MARKETING GENERAL	102	105	(3)	-2.5%	1,050	1,944	(894)	-46.0%
FINANCIAL ADVISORY	5,069	8,333	(3,264)	-39.2%	7,150	16,666	(9,516)	-57.1%
CONFERENCE/TRAINING	1,035	1,600	(565)	-35.3%	1,320	3,525	(2,205)	-62.6%
MISC. PROFESSIONAL SERVICES	7,456	9,583	(2,127)	-22.2%	10,706	19,166	(8,460)	-44.1%
DATA PROCESSING	4,953	2,206	2,747	124.5%	11,937	5,392	6,545	121.4%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>225,922</b>	<b>1,231,156</b>	<b>(1,005,234)</b>	<b>-81.6%</b>	<b>421,376</b>	<b>887,907</b>	<b>(466,531)</b>	<b>-52.5%</b>
<b>OCCUPANCY COSTS</b>								
OFFICE RENT	21,038	21,240	(203)	-1.0%	42,306	42,480	(174)	-0.4%
EQUIPMENT RENTAL AND PURCHASES	551	1,046	(495)	-47.3%	1,484	1,987	(504)	-25.3%
TELECOMMUNICATIONS	2,711	1,031	1,680	162.9%	5,461	4,081	1,380	33.8%
UTILITIES	796	943	(148)	-15.7%	1,614	1,843	(229)	-12.4%
DEPRECIATION	3,737	3,621	116	3.2%	7,474	7,314	160	2.2%
INSURANCE	505	1,950	(1,445)	-74.1%	1,009	3,900	(2,891)	-74.1%
<b>TOTAL OCCUPANCY COSTS</b>	<b>29,338</b>	<b>29,833</b>	<b>(495)</b>	<b>-1.7%</b>	<b>59,348</b>	<b>61,607</b>	<b>(2,258)</b>	<b>-3.7%</b>



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

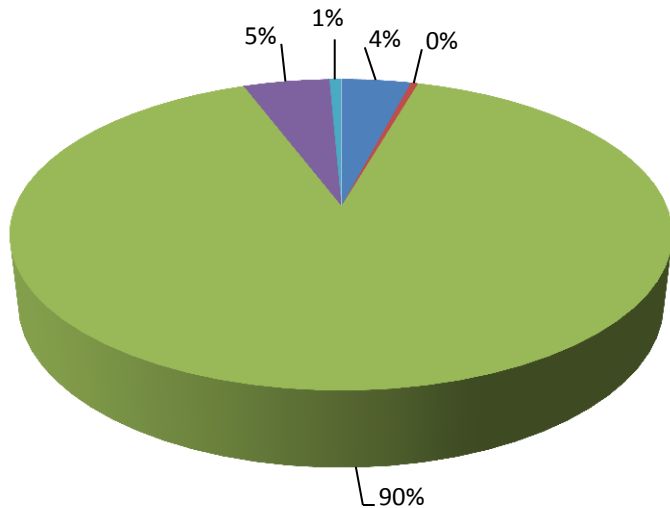
	Actual August 2013	Actual August 2012	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2014	Actual YTD FY 2013	Year to Date Variance Actual vs. Actual	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	1,932	1,679	485	28.9%	4,695	4,853	(158)	-3.3%
BOARD MEETING - EXPENSES	2,164	2,053	(1,592)	-77.6%	3,190	4,253	(1,063)	-25.0%
PRINTING	461	500	371	74.1%	875	1,092	(218)	-19.9%
POSTAGE & FREIGHT	871	2,808	246	8.7%	1,696	3,646	(1,950)	-53.5%
MEMBERSHIP, DUES & CONTRIBUTIONS	3,053	370	(370)	-100.0%	3,281	1,878	1,404	74.8%
PUBLICATIONS	-	16,542	3,070	18.6%	-	19	(19)	-100.0%
OFFICERS & DIRECTORS INSURANCE	19,612	-	28,092	0.0%	37,580	31,650	5,930	18.7%
MISCELLANEOUS								
TOTAL GENL & ADMIN EXPENSES	28,092	23,951	4,141	17.3%	51,317	47,391	3,926	8.3%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	0.0%	-	-	-	0.0%
OTHER	406	455	(49)	-10.8%	812	909	(97)	-10.7%
INTEREST EXPENSE	406	455	(49)	-10.8%	812	909	(97)	-10.7%
TOTAL OTHER	446,251	1,420,531	(974,280)	-68.6%	843,987	1,269,192	(425,205)	-33.5%
TOTAL EXPENSES								
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	88,437	(643,186)	731,623	-113.7%	202,735	331,327	(128,592)	-38.8%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.0%	-	-	-	0.0%
TRANSFER	-	-	-	0.0%	-	-	-	0.0%
REVENUE GRANT	-	841,399	(841,399)	-100.0%	-	841,399	(841,399)	-100.0%
TRANSFERS FROM STATE	-	-	-	0.0%	-	-	-	0.0%
NET INCOME/(LOSS)	88,437	198,213	(109,776)	-55.4%	202,735	1,172,726	(969,991)	-82.7%

**Illinois Finance Authority  
Consolidated [Unaudited]  
Balance Sheet  
For the Two Months Ending August 31, 2013**

	August 2013	August 2012
	<hr/>	<hr/>
<b>ASSETS</b>		
CASH & INVESTMENTS, UNRESTRICTED	\$ 44,852,511	\$ 41,285,500
RECEIVABLES, NET	183,113	152,096
LOAN RECEIVABLE, NET	54,898,958	63,279,303
OTHER RECEIVABLES	1,091,509	566,751
PREPAID EXPENSES	245,966	230,854
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	101,272,057	105,514,504
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	109,147	101,019
DEFERRED ISSUANCE COSTS	271,201	322,676
OTHER ASSETS		
CASH RESTRICTED, INVESTMENTS & RESERVES	56,388,262	54,024,041
OTHER	3,000,000	3,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	59,388,262	57,024,041
TOTAL ASSETS	<u>\$ 161,040,667</u>	<u>\$ 162,962,240</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	\$ 950,273	\$ 649,355
LONG TERM LIABILITIES	39,163,684	43,330,601
	<hr/>	<hr/>
TOTAL LIABILITIES	40,113,957	43,979,956
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	32,781,496	30,492,093
NET INCOME / (LOSS)	202,735	1,172,726
RESERVED/RESTRICTED FUND BALANCE	39,685,617	39,060,603
UNRESERVED FUND BALANCE	12,648,171	12,648,171
	<hr/>	<hr/>
TOTAL EQUITY	120,926,710	118,982,284
TOTAL LIABILITIES & EQUITY	<u>\$ 161,040,667</u>	<u>\$ 162,962,240</u>

**Revenue Distribution Chart  
For the Two Months  
Ending Augsut 31, 2013**

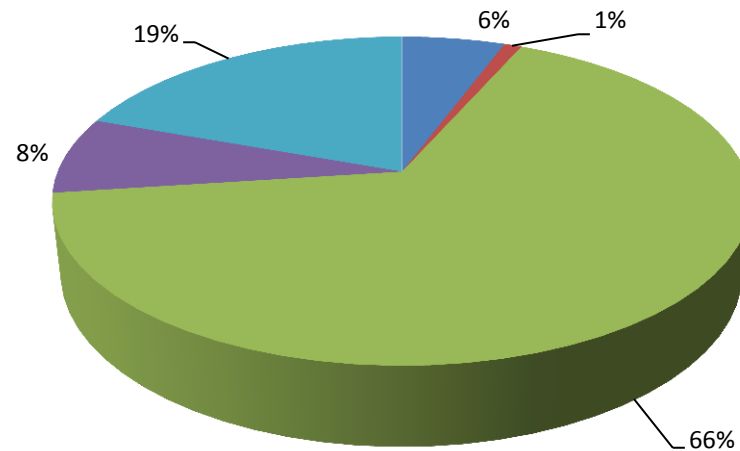
<b>REVENUE DESCRIPTION</b>	
<b>Fiscal Year 2013</b>	<b>REVENUE \$</b>
INTEREST INCOME ON LOANS	26,149
INVESTMENT INTEREST	2,777
APPLICATION & CLOSING FEES	579,544
ANNUAL SERVICE FEES	32,459
OTHER INCOME	4,523
<b>TOTAL</b>	<b>645,453</b>



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

**Revenue Distribution Chart  
For the Two Months  
Ending August 31, 2012**

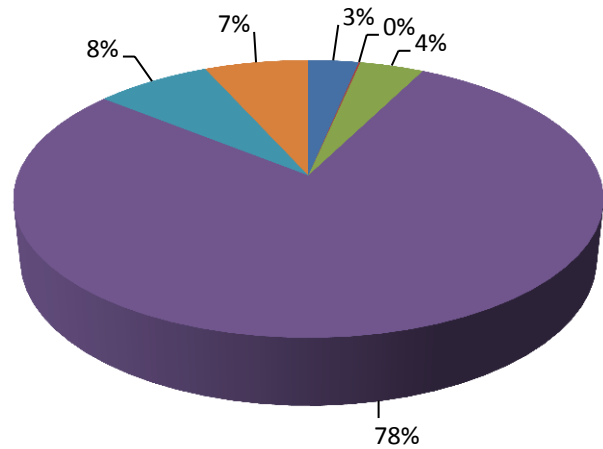
<b>REVENUE DESCRIPTION</b>	
<b>Fiscal Year 2012</b>	<b>REVENUE \$</b>
INTEREST INCOME ON LOANS	43,226
INVESTMENT INTEREST	7,302
APPLICATION & CLOSING FEES	504,436
ANNUAL SERVICE FEES	57,514
OTHER INCOME	148,474
<b>TOTAL</b>	<b>760,952</b>



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

**Breakdown of Fee Revenues by Sector Chart  
For the Two Months  
Ending August 31, 2013**

<b>REVENUE BY SECTOR</b>	
<i>Fiscal Year 2014</i>	<b>REVENUE \$</b>
AGRICULTURE	18,815
BUSINESS & INDUSTRY	639
EDUCATION	24,000
HEALTHCARE	454,665
LOCAL GOVERNMENT	43,415
NOT-FOR-PROFIT	39,000
<b>TOTAL</b>	<b>580,534</b>

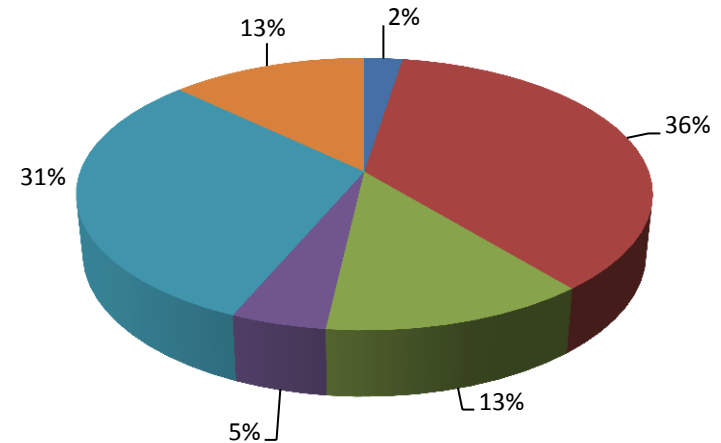


- AGRICULTURE
- EDUCATION
- LOCAL GOVERNMENT
- BUSINESS & INDUSTRY
- HEALTHCARE
- NOT-FOR-PROFIT

Fees Per Revenue Chart 579,544  
Difference (Cash v. Accrual) 991

**Breakdown of Fee Revenues by Sector Chart  
For the Two Months  
Ending August 31, 2012**

<b>REVENUE BY SECTOR</b>	
<i>Fiscal Year 2013</i>	<b>REVENUE \$</b>
AGRICULTURE	12,517
BUSINESS & INDUSTRY	182,151
EDUCATION	63,920
HEALTHCARE	23,000
LOCAL GOVERNMENT	153,000
NOT-FOR-PROFIT	64,500
<b>TOTAL</b>	<b>499,088</b>



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

Fees Per Revenue Chart 504,436  
Difference (Cash v. Accrual) (5,348)

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Lorrie Karcher  
Date: September 10, 2013  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$501,100 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$195,000**
- **Calendar Year Summary:** (as of September 10, 2013)
  - Volume Cap: \$12,000,000
  - Volume Cap Committed: \$2,788,750
  - Volume Cap Remaining: \$9,211,250
  - Average Farm Acreage: 51
  - Number of Farms Financed: 10
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2013 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

<b>A. Project Number:</b>	<b>A-FB-TE-CD-8641</b>
<b>Borrower(s):</b>	<b>Haile, Joshua R.</b>
Borrower Benefit:	First Time Land Buyer
Town:	McLeansboro, IL
<b>IFA Bond Amount:</b>	<b>\$195,000</b>
Use of Funds:	Farmland – 123 acres of farmland
Purchase Price:	\$390,000 / (\$3,171 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
% IFA	50%
Township:	Moores Prairie
Counties/Regions:	Jefferson / Southern
Lender/Bond Purchaser	Peoples National Bank / Terry Drone
<b>Legislative Districts:</b>	Congressional: 12
	State Senate: 58
	State House: 115

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 (30) years from the date of closing. The note will have a 30-year amortization and maturity.



# CONDUIT

**\$28,310,000 (not-to-exceed amount)**

September 10, 2013

**Community College District No. 532**

<b>REQUEST</b>	<p><b>Purpose:</b> Proceeds of the Series 2013B Bonds will be used for the purpose of purchasing certain general obligation alternate bonds (the “<b>Local Government Securities</b>”) from <b>Community College District No. 532, County of Lake, State of Illinois</b> (the “<b>District</b>”, the “<b>College</b>”, or the “<b>Borrower</b>”). The District will use the proceeds of the Local Government Securities to (i) finance the cost of altering, renovating, repairing and equipping the Grayslake Campus buildings (the “<b>Project</b>”) and (ii) pay certain costs associated with the issuance of the Bonds and the Local Government Securities (the “<b>Financing Purposes</b>”).</p> <p><b>Program Product Type:</b> Local Government Program Revenue Bonds</p> <p><b>IFA/State Funds at Risk:</b> None</p>																												
<b>BOARD ACTIONS</b>	Final Bond Resolution ( <i>One-Time Consideration</i> )																												
<b>MATERIAL CHANGES</b>	None. This is the first time this Project has been presented to the IFA Board of Directors.																												
<b>JOB DATA</b>	<table border="0"> <tr> <td>839 FT + 957 Adjunct Faculty</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>360 (1,776 Master Plan)</td> <td>Construction jobs projected (1-4 years)</td> </tr> </table>	839 FT + 957 Adjunct Faculty	Current jobs	0	New jobs projected	N/A	Retained jobs	360 (1,776 Master Plan)	Construction jobs projected (1-4 years)																				
839 FT + 957 Adjunct Faculty	Current jobs	0	New jobs projected																										
N/A	Retained jobs	360 (1,776 Master Plan)	Construction jobs projected (1-4 years)																										
<b>BORROWER DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Type of Entity: Illinois Public Community College District</li> <li>• Location: Grayslake (Lake County)</li> <li>• When established: 1967</li> <li>• Borrower’s Description: The College of Lake County is a comprehensive community college that delivers high quality, accessible learning opportunities to advance student success and strengthen the diverse communities it serves. The College of Lake County strives to be an innovative educational institution offering exceptional learning experiences and to be widely recognized for student success, business and community partnerships and for the achievements of faculty, staff and alumni.</li> <li>• Project Impact: This bond sale is part of a plan to finance the \$148 million cost of the Sustainable Campus Master Plan approved by the Board of Trustees in November 2012.</li> </ul>																												
<b>STRUCTURE/TERMS/ CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Underwriter: Edward Jones (St. Louis, MO) will serve as Senior Manager, while Mesirow Financial, Inc., Robert W. Baird &amp; Co. and Stifel, Nicolaus &amp; Company, Inc. (St. Louis, MO) each serve as Co-Managers.</li> <li>• The IFA Local Government Securities (the “<b>Series 2013B Bonds</b>”) are payable together with the District’s General Obligation Bonds (Alternate Revenue Source), Series 2013A (the “<b>2013A Bonds</b>”), from (a) student capital assessment fees, taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of community college and administrative buildings and property (the “<b>Pledged Revenues</b>”) and (b) from ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the “<b>Pledged Taxes</b>” and together with the Pledged Revenues, the “<b>Pledged Moneys</b>”).</li> <li>• Maturity: Due serially June 1, 2015 through June 1, 2034</li> <li>• Interest Rate: The estimated interest rates of the IFA Series 2013B Bonds for prospective serial maturities (i.e., 2 years to 20 years) range from 0.60% to 4.65%, based on market conditions as of 8/30/2013.</li> <li>• Rating: Moody’s assigned its Aaa rating to the proposed Alternate Bonds (i.e., Series 2013A and IFA Series 2013B) on 8/20/2013.</li> </ul>																												
<b>SOURCES AND USES (ESTIMATED; SUBJECT TO CHANGE)</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA - Series 2013B Bonds</td> <td>\$28,310,000</td> <td>Master Plan Project Costs</td> <td>\$147,400,000</td> </tr> <tr> <td>Community College District 532 - Series 2013A Bonds</td> <td>31,690,000</td> <td></td> <td></td> </tr> <tr> <td>Other Debt</td> <td>20,000,000</td> <td></td> <td></td> </tr> <tr> <td>State of IL Construction Grant</td> <td>55,000,000</td> <td>Costs of Issuance</td> <td><u>600,000</u></td> </tr> <tr> <td>Operations/Maintenance Fund (<i>Restricted</i>)</td> <td><u>13,000,000</u></td> <td></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>\$148,000,000</b></td> <td><b>Total</b></td> <td><b>\$148,000,000</b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA - Series 2013B Bonds	\$28,310,000	Master Plan Project Costs	\$147,400,000	Community College District 532 - Series 2013A Bonds	31,690,000			Other Debt	20,000,000			State of IL Construction Grant	55,000,000	Costs of Issuance	<u>600,000</u>	Operations/Maintenance Fund ( <i>Restricted</i> )	<u>13,000,000</u>			<b>Total</b>	<b>\$148,000,000</b>	<b>Total</b>	<b>\$148,000,000</b>
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<b>Total</b>	<b>\$148,000,000</b>	<b>Total</b>	<b>\$148,000,000</b>																										
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																												

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 SEPTEMBER 10, 2013**

**Project: Community College District No. 532**

**STATISTICS**

Project Number: L-LG-TE-CD-8643	Amount: \$28,310,000
Type: Local Government Bond Program	IFA Staff: Rich Frampton & Brad R. Fletcher
Location: Grayslake	County/Region: Lake/Northeastern

**BOARD ACTION**

Final Bond Resolution ( <i>One-Time Consideration</i> )	No IFA Funds at risk
Local Government Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

**VOTING RECORD**

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

**PURPOSE**

Proceeds of the Series 2013B Bonds will be used for the purpose of purchasing certain general obligation alternate bonds (the "**Local Government Securities**") from **Community College District No. 532, County of Lake, State of Illinois** (the "**District**", the "**College**", or the "**Borrower**"). The District will use the proceeds of the Local Government Securities to (i) finance the cost of altering, renovating, repairing and equipping the Grayslake Campus buildings (the "**Project**") and (ii) pay certain costs associated with the issuance of the Bonds and the Local Government Securities (the "**Financing Purposes**").

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

No Volume Cap is required for Local Government Revenue Bond financing.

**JOBS**

Current employment: 839 Full-Time + 957 Adjunct	Projected new jobs: 0
Jobs retained: N/A	Construction jobs: 360 (1-4 years)
	<i>*(1,776 total FTE's created as a result of Master Plan)</i>

**ESTIMATED SOUCES AND USES OF FUNDS (SUBJECT TO CHANGE)**

<b>Sources:</b>		<b>Uses:</b>	
IFA Series 2013B Bonds*	\$28,310,000	Master Plan Project Costs	\$147,400,000
Comm. Coll. District 532		Costs of Issuance	<u>600,000</u>
Series 2013A Bonds	31,690,000		
Other Debt	20,000,000		
State of IL Construction Grant	55,000,000		
Operations/Maintenance Fund ( <i>Restricted Fund</i> )	<u>13,000,000</u>		
<b>Total</b>	<b>\$148,000,000</b>	<b>Total</b>	<b>\$148,000,000</b>

\*Note: The District reasonably expects to issue approximately \$27,150,000 in IFA Series 2013B Bonds.



More specifically, the Board of Trustees of Community College District No. 532 approved an authorizing resolution and notice of intent to issue up to \$60.0 million of Alternate Bonds. Accordingly, the combined Par Amounts of Community College District No. 532 and IFA Series 2013B (issued on behalf of the District) will not exceed \$60.0 million. Although the respective series amounts have yet to be finalized, the IFA Bond Resolution establishes a not-to-exceed parameter of \$28,310,000 (with the estimated issuance amount at \$27,150,000).

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#### FINANCING SUMMARY

- Structure: Bonds will mature serially June 1, 2015 through June 1, 2034 (*as contemplated*). The plan of finance contemplates the Bonds to be publically offered by Edward Jones, (St. Louis, MO) (the “**Senior Manager**”), Mesirov Financial, Inc., Robert W. Baird & Co. and Stifel, Nicolaus & Company, Inc. (St. Louis, MO) (each, a “**Co-Manager**”, and together with the Senior Manager, the “**Underwriters**”).
- Repayment Schedule: Interest on the Bonds will be payable semiannually on each June 1 and December 1 commencing June 1, 2014. Principal will be due serially each June 1, commencing June 1, 2015 through 2034.
- Security: The IFA Local Government Securities (the “**Series 2013B Bonds**”) are payable together with the District's General Obligation Bonds (Alternate Revenue Source), Series 2013A (the “**2013A Bonds**”), from (a) student capital assessment fees, taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of community college and administrative buildings and property (the “**Pledged Revenues**”) and (b) from ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the “**Pledged Taxes**” and together with the Pledged Revenues, the “**Pledged Moneys**”).
- Authority: The Local Government Securities are being issued pursuant to (i) Article 3A of the Public Community College Act of the State of Illinois, as amended, (ii) the Local Government Debt Reform Act of the State of Illinois, as amended (the “**Debt Reform Act**”), and (iii) the other Omnibus Bond Acts, as amended.
- The Board of Trustees of the Community College District No. 532 duly and properly adopted a District Bond Resolution on May 21, 2013, as supplemented by a notification of sale for the Local Government Securities in connection therewith.
- Rating: Moody’s assigned its Aaa rating to the IFA Series 2013B Bonds and the District’s Series 2013A Bonds on 8/20/2013 (at which time the ratings of the District’s other General Obligation Debt outstanding were affirmed at Aaa).
- Estimated Closing: September 2013

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#### SUPPLEMENTAL INFORMATION RELATING TO THE UNDERLYING ALTERNATE BONDS ISSUED BY THE DISTRICT

Summary Information on “Alternate Bonds”:

Section 15 of the Debt Reform Act provides that whenever there exists for a governmental unit (such as the District) a revenue source, the District may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as “*Alternate Bonds*”.

Such bonds are (i) general obligation debt payable from the pledged revenue with (ii) the general obligation of the District as back-up security.

The Debt Reform Act specifies several conditions that must be satisfied before Alternate Bonds payable from a revenue source may be issued. A summary of the key conditions follows below (readers seeking a more comprehensive understanding of these conditions should review the Debt Reform Act in its entirety):

1. Alternate Bonds must be issued for a lawful corporate purpose and if payable from a specific revenue source that is limited in its purpose or applications, then the Alternate Bonds can only be issued for such limited purposes or applications.
2. Issuance of Alternate Bonds must be submitted to referendum if, within the time provided by law following publication of an authorizing resolution and notice of intent to issue Alternate Bonds (with such resolution and notice of intent to issue up to \$60.0 million of Alternate Bonds approved by the District's Board for the Series 2013A and Series 2013B Bonds on May 21, 2013), a petition signed by the requisite number of registered voters in the governmental unit is filed.
3. The Issuer (i.e., the District) must demonstrate that the pledged revenues are sufficient in each year to provide an amount not less than 1.25 times debt service on the Alternate Bonds payable from such revenue source(s) and shall include both (i) Alternate Bonds previously issued and outstanding and (ii) the Alternate Bonds proposed to be issued. (Note: this provision is condensed and summarized.)
4. The revenue source (or sources) must be pledged to the payment of the Alternate Bonds.
5. The governmental unit (i.e., the District) must covenant to provide for, collect, and apply the revenue source to the payment of the Alternate Bonds and to provide for an amount equal to not less than an additional 0.25 times debt service coverage (i.e., on both the IFA Series 2013B Bonds and the District's Series 2013A Bonds).

Certain Risk  
Factors:

The ability of the District to pay the Local Government Securities from the Pledged Revenues may be limited by circumstances beyond the control of the District. Additionally, no guarantee exists that the District will continue to receive the Pledged Revenues in amounts sufficient to pay debt service on the Local Government Securities.

Abatement of  
Pledged Taxes:

Prior to the abatement deadline in any calendar year, whenever the District determines that in any year the Pledged Revenues are or will be available (i.e., sufficient) to pay any principal of or interest on the Local Government Securities due in that bond year, the Board of officers of the District acting with proper authority shall direct the abatement of the Pledged Taxes by such amount. Proper notification of such abatement shall be filed with the Lake County Clerk in a timely manner in order to effect such abatement.

Treatment of  
Bonds as Debt:

The Local Government Securities will be payable from the Pledged Moneys and will not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes will have been extended pursuant to the general obligation, full faith and credit promise supporting the Local Government Securities, in which case the amount of the outstanding Local Government Securities will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the Local Government Securities have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Debt Reform Act.

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**PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)**

Proceeds of the Series 2013B Bonds will be used for the purpose of purchasing certain general obligation alternate bonds (the “**Local Government Securities**”) from **Community College District No. 532, County of Lake, State of Illinois** (the “**District**”, the “**College**”, or the “**Borrower**”). The District will use the proceeds of the Local Government Securities to (i) finance the cost of altering, renovating, repairing and equipping buildings located at its Grayslake Campus (the “**Project**”) and (ii) pay certain costs associated with the issuance of the Bonds and the Local Government Securities (the “**Financing Purposes**”).

The IFA Series 2013B Bond financing will finance a portion of the costs of the proposed capital improvements to be undertaken at its Grayslake campus.

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**BUSINESS SUMMARY**

Community College District No. 532 (the “**District**”, “**College of Lake County**”, the “**College**”, or the “**Borrower**”) was established in 1967 with its principal campus in Grayslake and satellite campuses located in Vernon Hills and Waukegan. The College of Lake County also offers classes at Naval Station Great Lakes (North Chicago, IL) to provide service members, their families and members of the surrounding community an opportunity to work towards an Associate’s degree.

The College of Lake County is a comprehensive community college offering a wide range of academic program choices to meet students' educational needs at different points in their lives. The College is accredited by the Higher Learning Commission and is a member of the North Central Association.

Major program areas include credit programs to prepare students for transfer or career entry, GED and adult basic education, non-credit offerings for personal or career development, and contract training and specialized services for businesses. College of Lake County’s programs emphasize academic excellence and concern with the individual student's goals. Each semester, the college serves approximately 18,000 credit students, with more than 80 percent enrolled in transfer or career preparation programs, 49 percent are enrolled in baccalaureate transfer programs and 38 percent in career programs. Approximately 53 percent of students are aged 24 or under and 39 percent are members of a minority group.

Located in the far northeastern suburbs of Chicago, the District has a population of almost 713,000 residents, living in more than 50 demographically diverse communities. Community College District No. 532 serves the third largest population of any Illinois community college district. The District, located half way between Chicago and Milwaukee, is home to 28,000 businesses including nine national corporate headquarters facilities and includes many entertainment and recreation attractions.

In a survey of recent graduates, 96 percent of respondents expressed satisfaction with the content of their courses or curriculum. Those working full time reported an average annual salary of nearly \$37,000.

**Economic Profile:**

*The District’s major employers include:*

<u>EMPLOYER</u>	<u>PRODUCT/SERVICE</u>	<u>APPROXIMATE NUMBER OF EMPLOYEES IN DISTRICT AREA</u>
United States Department of Navy	Government/Military	25,000
Abbott Laboratories	Healthcare Products	12,284
Mosaic Global Operations, Inc.	Fertilizer Production	5,017
Aluma Systems	Equipment Rental and Leasing	3,000
Phosphate Resource Partners Limited Partnership	Phosphatic fertilizers	2,972

The District's largest taxpayers include:

Abbott Laboratories	Healthcare Products
Gurnee Mills	Shopping Center
Discover Properties LLC	Credit/Financial Services
Walmart Stores, Inc.	Retail
Midwest Family Housing LLC	Real Estate

Median Household Income:

According to the U.S. Census Bureau, 2007-2011 American Community Survey, the District had a median household income of \$79,666. This compares with \$56,576 for the State and \$64,293 for the United States.

Housing:

According to the U.S. Census Bureau, 2007 – 2011 American Community Survey, the District had a median home value for owner-occupied units of \$280,900 (with 77.6% owner occupied). This compares with \$198,500 for the State (with 68.7% owner-occupied).

Unemployment Statistics:

According to the Illinois Department of Employment Security, in 2012, Lake County posted an unemployment rate of 8.7%, compared to 8.9% for the State.

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**OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT**

Applicant/Borrower: Community College District No. 532 (College of Lake County)  
Contact: W. Andy Williams, Controller, College of Lake County, 19351 W. Washington St.,  
Grayslake, IL 60030  
Telephone: (847) 543-2210; E-mail: [WWilliams@clcillinois.edu](mailto:WWilliams@clcillinois.edu)

Website: [www.clcillinois.edu](http://www.clcillinois.edu)

Locations: **Grayslake Campus**  
19351 W Washington St, Grayslake

Entity: Illinois Public Community College District

Board of Trustees: Richard A. Anderson  
Philip J. Carrigan, Ph.D., Secretary  
Jeanne T. Goshgarian, Vice Chairman  
William M. Griffin, Ed.D.  
Amanda D. Howland, M.A., M.S.Ed., J.D., Chairman  
Barbara D. Oilschlager  
Lynda C. Paul  
Kendall Welton, Student Trustee

Administration: Girard W. Weber, Ph.D., President  
David Agazzi, Vice President for Administrative Affairs/Treasurer  
Richard Haney, Vice President for Educational Affairs  
Karen Hlavin, Associate Vice President for Student Development

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**PROFESSIONAL & FINANCIAL**

Borrower's Advisor:	PMA Securities, Inc.	Naperville, IL	Tammie Beckwith Schallmo Jennifer Currier Sheryl Marshall
Auditor:	McGladrey LLP (2013) Crowe Horwath, LLP	Chicago, IL Oak Brook, IL	
Bond/Disclosure Counsel:	Chapman & Cutler LLP	Chicago, IL	Lynda Given Anjali Vij Kelly Kost
Senior Manager:	Edward Jones	St. Louis, MO	Chris Collier
Co-Managers:	Mesirow Financial, Inc.	Chicago, IL	Todd Krzyskowski Daniel Barlow
	Robert W. Baird & Co.	Naperville, IL	Thomas J. Gavin Stephan Roberts
	Stifel, Nicolaus & Co., Inc.	St. Louis, MO	Anne Noble Thomas Crabtree
Paying Agent:	Amalgamated Bank of Chicago	Chicago, IL	Cathey Walls
Rating Agencies:	Moody's Investor Services	Chicago, IL	Marshall Carter
Architect:	Legat Architects	Waukegan, IL	Jeff Sronkoski
Issuer's Counsel:	Holland & Knight, LLP	Chicago, IL	Barb Adams
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

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**LEGISLATIVE DISTRICTS**

	<u>Grayslake Campus</u>	
Congressional:	10	
State Senate:	31	
State House:	62	

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September 10, 2013

**\$23,000,000 (not-to-exceed)**  
**Noble Network of Charter Schools**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will enable <b>Noble Network of Charter Schools</b> (“<b>Noble</b>” or the “<b>Borrower</b>”) to pay or reimburse the Borrower for costs of acquisition, construction, and equipping of the Hansberry College Prep charter school (formerly Noble Auburn-Gresham) of the Borrower located at 8732- 8748 South Aberdeen Street, Chicago, Illinois and 8725 South May Street, Chicago, Illinois (all leased from the Catholic Bishop of Chicago), and to pay or reimburse the Borrower for costs of miscellaneous capital improvements and equipment at certain other charter school campuses of the Borrower, including Golder College Prep, Rowe-Clark Math and Science Academy, Rauner College Prep, Pritzker College Prep, and Noble Street College Prep (collectively, the “<b>Project</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																																
<b>BOARD ACTION</b>	<p>Final Bond Resolution  Preliminary Bond Resolution approved 8/13/2013  Yeas: 13; Nays: 0; Abstentions: 0; Absent 2 (Barclay, Gold); Vacancy: 0</p>																																
<b>MATERIAL CHANGES</b>	<p>Updated Sources &amp; Uses (i) includes higher not-to-exceed bond issuance amount, (ii) no longer includes the taxable loan refinancing in the amount of \$3.1MM which was associated with the Muchin campus and (iii) no longer includes costs associated with acquisition of land for ITW campus. Additionally, IFF is further providing a cash funded common reserve fund. Finally, S&amp;P assigned a ‘BBB’ credit rating as of 9/6/2013.</p>																																
<b>JOB DATA</b>	<table border="0"> <tr> <td style="text-align: center;">655</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">236</td> <td style="text-align: center;">New jobs projected (1-2 years)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">25</td> <td style="text-align: center;">Construction jobs projected (24 months)</td> </tr> </table>	655	Current jobs	236	New jobs projected (1-2 years)	N/A	Retained jobs	25	Construction jobs projected (24 months)																								
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Chicago / Cook County / Northeast</li> <li>• Type of entity: Noble Network of Charter Schools is an Illinois not-for-profit corporation.</li> <li>• Noble Network of Charter Schools is a public charter high school (and middle school) system in Chicago with multiple campuses throughout the city.</li> <li>• With a student population that is 98% minority and 89% low-income, Noble is committed to serving the students with the greatest need, and to opening campuses in neighborhoods where there are no quality high school options.</li> </ul>																																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• The plan of finance contemplates that the Bonds will be publically offered by <b>B.C. Ziegler &amp; Company</b> (the “<b>Underwriter</b>”) and sold based on the direct underlying rating of the Noble Network of Charter Schools.</li> <li>• The Borrower applied for a rating from Standard &amp; Poor’s (“<b>S&amp;P</b>”) which has assigned a rating of ‘BBB’.</li> <li>• IFF’s <b>Charter School Credit Enhancement Program</b> (“<b>CSECP</b>”) will provide credit enhancement in the form of a cash funded common reserve of up to \$750,000 and a cash funded debt reserve of up to \$1.5 million of the financed amount to be accessed by the Trustee (for the benefit of bondholders) in the event of a payment default.</li> </ul>																																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• Bondholders will be secured by (i) a pledge of Network revenues on parity with its outstanding IFA Series 2006 and IFA Series 2007 Bonds, (ii) a leasehold mortgage on a pro rata share of collateral pool pledged to existing bonds with Hansberry College Prep (formerly Auburn Gresham), (iii) a Debt Service Reserve Fund capitalized under IFF’s Credit Enhancement program, and (iv) other funded reserves.</li> </ul>																																
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• 2043 (30 years)</li> </ul>																																
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>• The fixed-rate Bonds will bear an interest rate that is negotiated and established prior to closing and is currently estimated at between 5.00% and 6.50%.</li> </ul>																																
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Series 2013 Bonds</td> <td style="text-align: right;">\$23,000,000</td> <td>Project Costs</td> <td style="text-align: right;">\$18,000,000</td> </tr> <tr> <td>IFF Cash Funded Common Reserve Fund</td> <td style="text-align: right;">750,000</td> <td>Capitalized Interest</td> <td style="text-align: right;">3,950,000</td> </tr> <tr> <td>IFF Cash Funded Debt Service Reserve Fund</td> <td style="text-align: right;"><u>1,500,000</u></td> <td>Working Capital</td> <td style="text-align: right;">650,000</td> </tr> <tr> <td></td> <td></td> <td>Common Reserve Fund</td> <td style="text-align: right;">750,000</td> </tr> <tr> <td></td> <td></td> <td>Debt Service Reserve Fund</td> <td style="text-align: right;">1,500,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>400,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$25,250,000</b></td> <td><b>Total</b></td> <td style="text-align: right;"><b>\$25,250,000</b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Series 2013 Bonds	\$23,000,000	Project Costs	\$18,000,000	IFF Cash Funded Common Reserve Fund	750,000	Capitalized Interest	3,950,000	IFF Cash Funded Debt Service Reserve Fund	<u>1,500,000</u>	Working Capital	650,000			Common Reserve Fund	750,000			Debt Service Reserve Fund	1,500,000			Costs of Issuance	<u>400,000</u>	<b>Total</b>	<b>\$25,250,000</b>	<b>Total</b>	<b>\$25,250,000</b>
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<b>Total</b>	<b>\$25,250,000</b>	<b>Total</b>	<b>\$25,250,000</b>																														
<b>RECOMMENDATION</b>	<p>Credit Review Committee recommends approval.</p>																																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 10, 2013**

**Project: Noble Network of Charter Schools**

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**STATISTICS**

Project Number:	N-NP-TE-CD-8635	Amount:	\$23,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/	
		Region:	Cook County/Northeast

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**BOARD ACTION**

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

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**VOTING RECORD**

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

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**PURPOSE**

Bond proceeds will enable **Noble Network of Charter Schools** (“Noble” or the “Borrower”) to pay or reimburse the Borrower for costs of acquisition, construction, and equipping of the Hansberry College Prep charter school (formerly Noble Auburn-Gresham) of the Borrower located at 8732- 8748 South Aberdeen Street, Chicago, Illinois and 8725 South May Street, Chicago, Illinois, and to pay or reimburse the Borrower for costs of miscellaneous capital improvements and equipment at certain other charter school campuses of the Borrower, including Golder College Prep, Rowe-Clark Math and Science Academy, Rauner College Prep, Pritzker College Prep and Noble Street College Prep. (collectively, the “Project”).

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**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.

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Series 2013 Bonds	\$23,000,000	New Money Projects on 6 Campuses*	\$3,000,000
IFF Cash Funded	750,000	Reimbursement for Capital Projects on 6 Campuses*	15,000,000
Common Reserve Fund		Capitalized Interest	3,950,000
IFF Cash Funded Debt		Working Capital	650,000
Service Reserve Fund	<u>1,500,000</u>	Common Reserve Fund	750,000
		Debt Service Reserve Fund	1,500,000
		Costs of Issuance	<u>400,000</u>
<b>Total</b>	<b>\$25,250,000</b>	<b>Total</b>	<b>\$25,250,000</b>

\*The six campuses include Hansberry, Rowe-Clark, Golder, Noble Street, Pritzker and Rauner (see Economic Disclosure Statement on p. 5).

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**JOBS**

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

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**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 \$100,000 and sold in a manner consistent with IFA Bond Program Handbook requirements.

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

Standard & Poor's ("S&P") assigned an investment grade rating of 'BBB' to Noble as of 9/6/2013.

Interest Rate: The Bonds will bear a fixed interest rate that will reflect prevailing market conditions at closing (currently estimated at between 5.00% and 6.50% as of 8/30/2013).

Maturity: 2043 (approximately 30 years)

Estimated  
Closing Date: October 2013

Rationale: Based on market conditions and current rates, Noble and its advisors estimate that a tax-exempt financing on which the rate is fixed for the 30-year life of the bonds can be completed at a rate that will be approximately 2.5% lower than a taxable loan or taxable bonds for the same fixed term, thereby reducing borrowing costs substantially. Savings attributable to a tax-exempt bond issue would also free up Network cash to be used for other projects that will enhance Noble's campuses (and potentially create more cash reserves for Noble).

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**PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)**

Bond proceeds will enable **Noble Network of Charter Schools** ("Noble" or the "**Borrower**") to pay or reimburse the Borrower for costs of acquisition, construction, and equipping of the Hansberry College Prep charter school (formerly Noble Auburn-Gresham) of the Borrower located at 8732- 8748 South Aberdeen Street, Chicago, Illinois and 8725 South May Street, Chicago, Illinois (each leased from the Catholic Bishop of Chicago), and to pay or reimburse the Borrower for costs of miscellaneous capital improvements and equipment at certain other charter school campuses of the Borrower, as listed below (collectively, the "**Project**"):

1. Golder College Prep at 1440-1460 West Superior Street, Chicago, Illinois (leased from the Catholic Bishop of Chicago);
2. Rowe-Clark Math and Science Academy at 3645 West Chicago Avenue, Chicago, Illinois (owned by the Borrower);
3. Rauner College Prep at 1337 West Ohio Street, Chicago, Illinois (leased from the Catholic Bishop of Chicago);
4. Pritzker College Prep at 4131 West Cortland Street, Chicago, Illinois (leased from the Catholic Bishop of Chicago); and
5. Noble Street College Prep at 1010-1014 North Noble Street, Chicago, Illinois (leased from the Northwestern University Settlement Association).



The estimated New Money Project Costs and Reimbursement Project Costs for the six campuses are comprised of the following items:

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

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#### BUSINESS SUMMARY

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

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

Background: The Noble Network of Charter Schools prepares low-income students with the scholarship, discipline, and 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 two new campuses in the Pullman and South Chicago neighborhoods.

In the spring of 2012, for the fourth year in a row, all nine Noble campuses with junior classes ranked among the top ten highest performing open enrollment schools on the ACT exam in the city of Chicago (Link: [www.noblenetwork.org/about-noble/achievements-results](http://www.noblenetwork.org/about-noble/achievements-results) ).

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

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

IFF Credit  
Enhancement  
Program:

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

IFF's CSCEP provides credit enhancement in the form of a debt reserve (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 2013 Bonds will be credit enhanced by an IFF-funded debt service reserve fund and an IFF-funded common reserve fund.

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**ECONOMIC DISCLOSURE STATEMENT**

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

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

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

Site Locations:

1. Hansberry College Prep (formerly Noble Auburn-Gresham College Prep) at 8732- 8748 South Aberdeen Street Chicago (and adjacent parking lot) and 8725 South May Street, Illinois (leased from the Catholic Bishop of Chicago);
2. Golder College Prep at 1440-1460 West Superior Street, Chicago, Illinois (leased from the Catholic Bishop of Chicago);
3. Rowe-Clark Math and Science Academy at 3645 West Chicago Avenue, Chicago, Illinois (owned by the Borrower);
4. Rauner College Prep at 1337 West Ohio Street, Chicago, Illinois (leased from the Catholic Bishop of Chicago);
5. Pritzker College Prep at 4131 West Cortland Street, Chicago, Illinois (leased from the Catholic Bishop of Chicago);
6. Noble Street College Prep at 1010-1014 North Noble Street, Chicago, Illinois (leased from the Northwestern University Settlement Association).

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

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

Lessors of  
 School  
 Properties:

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

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

Tenant  
(Sub-lessee)  
at Noble  
Property:

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

Board of  
Directors:

**Allan Muchin**

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

**Michael Milkie**

CEO and Superintendent, *Noble Network of Charter Schools*

**Cecil Curtwright**

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

**Guy Comer**

President, Comer Science & Education Foundation

**John Harris**

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

**Rebeca Nieves Huffman**

Illinois State Executive Director, Democrats for Education Reform

**Harvey Medvin**

Retired EVP and CFO, AON Corporation

**Anne Mueller**

Community Leader

**Martin Nesbitt**, Co-CEO, Vistria Group

**Nancy Golder Northrip**

Owner, Ultimate Gymnastics  
Golder Family Foundation

**Troy Ratliff**

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

**Bruce Rauner**

Retired Principal & Chairman, GTCR  
Rauner Family Foundation

**Jonathan Reinsdorf**

Founding Partner, Stonegate  
Development Partners LLP

**William Rowe**

Associate, Baker & McKenzie LLP,  
Rowe Family Charitable Trust

**Jean Sheridan**

Retired Executive Vice President,  
Northern Trust

**Menno Vermeulen**

Partner, LSV Asset Management

**David Weinberg**

Founder & President, Illinois Network of  
Charter Schools

**Jennifer Wilson**

Partner, DRW Trading Group

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**PROFESSIONAL & FINANCIAL**

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

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**LEGISLATIVE DISTRICTS**

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

Congressional: 2  
State Senate: 13  
State House: 26

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

Congressional: 7  
State Senate: 5  
State House: 10

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

Congressional: 7  
State Senate: 5  
State House: 9

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

Congressional: 1  
State Senate: 3  
State House: 5

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

Congressional: 1  
State Senate: 3  
State House: 5

Golder College Prep  
(1454 W. Superior, Chicago)

Congressional: 5  
State Senate: 2  
State House: 4

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

Congressional: 1  
State Senate: 14  
State House: 27

Johnson College Prep  
(6350 S. Stewart, Chicago)

Congressional: 1  
State Senate: 3  
State House: 6

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

Congressional: 7  
State Senate: 3  
State House: 5

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

Congressional: 2  
State Senate: 17  
State House: 34

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

Congressional: 5  
State Senate: 2  
State House: 4

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

Congressional: 4  
State Senate: 2  
State House: 4

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

Congressional: 5  
State Senate: 2  
State House: 4

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

Congressional: 7  
State Senate: 5  
State House: 10

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

Congressional: 7  
State Senate: 5  
State House: 9

**Service Area of Noble Charter School Network:**

Noble is comprised of a growing network of high quality public high schools located in Chicago's communities of greatest need. In August 2013, Noble will open two new campuses in the Pullman and South Chicago neighborhoods and is currently accepting applications for enrollment. As of Fall 2013, Noble will operate 14 high schools serving an estimated 8,800 to 9,100 students from more than 70 Chicago communities.



September 10, 2013

**\$7,000,000 (not-to-exceed amount)**  
**YMCA of Rock River Valley**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>YMCA of Rock River Valley</b>, an Illinois not-for-profit corporation (“<b>YMCA</b>” or the “<b>Borrower</b>”), to refinance (through the repayment of an interim taxable loan) the payment of the costs of (i) constructing, acquiring, renovating, remodeling, improving, furnishing and equipping of certain facilities, including a 60,000 square foot health and recreational facility, owned and operated by the Borrower and located at 8451 Orth Road, Loves Park, Illinois, and other facilities owned and operated by the Borrower and located at 200 Y Boulevard, Rockford, Illinois (collectively, the “<b>Project</b>”), (ii) the payment of costs of issuance of the Bond, and (iii) if deemed necessary or desirable, working capital expenditures related to the Project (the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> 501(c)(3) Revenue Bonds  <b>Extraordinary Conditions:</b> None.          No IFA Funds at risk. No State Funds at risk.</p>														
<b>BOARD ACTION</b>	Final Bond Resolution ( <i>One-time consideration</i> )														
<b>MATERIAL CHANGES</b>	None. This is the first time this financing proposal has been presented to the IFA Board of Directors.														
<b>JOB DATA</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">416 Current jobs</td> <td style="width: 50%;">47 New jobs projected (<i>1 to 2 years</i>)</td> </tr> <tr> <td>40 Retained jobs</td> <td>N/A Construction jobs projected</td> </tr> </table>	416 Current jobs	47 New jobs projected ( <i>1 to 2 years</i> )	40 Retained jobs	N/A Construction jobs projected										
416 Current jobs	47 New jobs projected ( <i>1 to 2 years</i> )														
40 Retained jobs	N/A Construction jobs projected														
<b>BORROWER DESCRIPTION</b>	<ul style="list-style-type: none"> <li>● Type of entity: The YMCA focuses on strengthening the spiritual, mental and physical well-being of the citizens of the greater Rockford area. YMCA of the Rock River Valley has been in existence for 127 years (incorporated 8/30/1886) and has operated out of its flagship 200 Y Blvd. facility in Rockford since 1959. The Y Blvd. facility is utilized for many different afterschool and weekend programs, has two swimming pools, 15 racquetball courts, 3 basketball courts, a climbing wall, two other gymnasiums, a running track, fitness center, weight room and locker rooms. Memberships are offered on family, adult and child level. YMCA of Rock River Valley also operates after care programs in over 20 Rockford area schools.</li> <li>● In 2007, construction began on a new facility in suburban Loves Park (Northeast Family YMCA). Although this facility is smaller than its “flagship” Y Blvd. facility, it offers the same amenities.</li> <li>● Locations: Rockford and Loves Park/Winnebago County/Northern Stateline Region</li> </ul>														
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>● YMCA of Rock River Valley is a non-rated entity.</li> <li>● The IFA 501(c)(3) Revenue Bond (YMCA of Rock River Valley Project), Series 2013 will be purchased directly by <b>BMO Harris Bank, N.A.</b> (the “<b>Bank</b>” or “<b>Bond Purchaser</b>”). The Bank will be the secured lender and the direct bond investor.</li> </ul>														
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>● The Bank will be collateralized by a first security interest in the business assets of the Borrower and a first-priority mortgage and an assignment of rents and leases in connection with the following real properties of the Borrower, located at: (i) 200 Y Blvd., Rockford, IL (“<b>I.D. Pennock Family YMCA</b>”) and (ii) 8451 Orth Rd, Loves Park, IL (“<b>Northeast Family YMCA</b>”).</li> </ul>														
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>● Not-to-exceed 30 Years</li> </ul>														
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>● BMO Harris Bank, N.A. will establish an interest rate with an initial term of 7 years. The initial interest rate will be negotiated and established prior to closing and is currently estimated at between 2.25% and 3.25%.</li> </ul>														
<b>SOURCES AND USES</b>	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><b>Sources:</b></th> <th style="text-align: right;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="width: 50%;">IFA Bonds</td> <td style="width: 50%;">Term Loan Refinancing</td> </tr> <tr> <td style="text-align: right;"><u>\$7,000,000</u></td> <td style="text-align: right;">\$6,750,000</td> </tr> <tr> <td></td> <td style="text-align: right;">Costs of Issuance</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>250,000</u></td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>Total</b></td> </tr> <tr> <td style="text-align: right;"><b>\$7,000,000</b></td> <td style="text-align: right;"><b>\$7,000,000</b></td> </tr> </tbody> </table>	<b>Sources:</b>	<b>Uses:</b>	IFA Bonds	Term Loan Refinancing	<u>\$7,000,000</u>	\$6,750,000		Costs of Issuance		<u>250,000</u>	<b>Total</b>	<b>Total</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>
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<b>Total</b>	<b>Total</b>														
<b>\$7,000,000</b>	<b>\$7,000,000</b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.														



**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 10, 2013**

**Project: YMCA of Rock River Valley**

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**STATISTICS**

IFA Project:	N-NP-TE-CD-8642	Amount:	\$7,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Rockford and Loves Park	Counties/ Region:	Winnebago/Northern Stateline

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**BOARD ACTION**

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

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**VOTING RECORD**

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

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**PURPOSE**

Bond proceeds will be used by **YMCA of Rock River Valley**, an Illinois not-for-profit corporation (“**YMCA**” or the “**Borrower**”), to refinance (through the repayment of an interim taxable loan) the payment of the costs of (i) constructing, acquiring, renovating, remodeling, improving, furnishing and equipping of certain facilities, including a 60,000 square foot health and recreational facility, owned and operated by the Borrower and located at 8451 Orth Road, Loves Park, Illinois, and other facilities owned and operated by the Borrower and located at 200 Y Boulevard, Rockford, Illinois (collectively, the “**Project**”), (ii) the payment of costs of issuance of the Bond, and (iii) if deemed necessary or desirable, working capital expenditures related to the Project (the “**Financing Purposes**”).

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**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects supporting 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.

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**VOLUME CAP**

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

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**JOBS**

Current employment:	416	Projected new jobs:	47** (1 to 2 years)
Jobs Retained:	40	Construction jobs:	N/A

\*\*Note: In Year 1 after the IFA bond issuance, job growth is tied to a child development program called Little Learners. In Year 2, job growth is tied to two new programs focused on (i) obesity/health/eating and (ii) community-based social psychology. The Borrower has estimated that savings attributable to this refinancing (and its other expense control initiatives) will help retain 40 jobs.

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**SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$7,000,000</u>	Term Loan Refinancing*	\$6,750,000
		Costs of Issuance	<u>250,000</u>
<b>Total</b>	<b>\$7,000,000</b>	<b>Total</b>	<b>\$7,000,000</b>

\*Note: The project was originally financed through the issuance of conduit, tax-exempt Winnebago County, Illinois Adjustable Rate Revenue Bonds (YMCA of Rock River Valley Project), Series 2006, in an aggregate principal amount of \$8,000,000 (the “**2006 Bonds**” or “**7-Day Floaters**”), that were credit enhanced by a Direct-Pay Letter of Credit from Amcore Bank, N.A. (the “**LOC Bank**”).

In December 2008, Amcore Bank, N.A. originated a taxable term loan to facilitate the Borrower’s full redemption of the 2006 Bonds because the LOC Bank had experienced a credit rating downgrade as a result of the 2007-2008 credit crisis.

Ultimately, BMO Harris Bank, N.A. succeeded Amcore Bank as the secured lender of the 2008 taxable term loan upon its FDIC-brokered acquisition of Amcore Bank, N.A. in April 2010.

The Borrower had applied proceeds of the original Series 2006 Bonds, together with additional funds, as follows:

Acquisition of Land	\$213,000
Construction of Loves Park Facility	10,290,000
Construction of Improvements at Rockford Facility	560,000
Costs of Issuance	<u>133,000</u>
<b>Total</b>	<b>\$11,196,000</b>

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**FINANCING SUMMARY**

Structure/ Security:	The Bond will be purchased directly by <b>BMO Harris Bank, N.A.</b> (the “ <b>Bank</b> ” or “ <b>Bond Purchaser</b> ”). The Bank will be collateralized by a first position security interest in the business assets of the Borrower and a first-priority mortgage and an assignment of rents and leases in connection with the following real properties of the Borrower, primarily located at: (i) 200 Y Blvd., Rockford, IL (“ <b>I.D. Pennock Family YMCA</b> ”) and (ii) 8451 Orth Rd, Loves Park, IL (“ <b>Northeast Family YMCA</b> ”).
Interest Rate:	The Bank will set the interest rate for an initial period of 7 years with reset provisions thereafter. The interest rate will be set at pre-closing based on prevailing market conditions, currently estimated at between 2.25% and 3.25%.
Maturity:	2043 (i.e., not-to-exceed 30 years)
Estimated Closing Date:	September 2013
Rationale:	The new IFA issued Bank Direct-Purchase Bond will enable the Borrower to resume borrowing at a tax-exempt rate and extend the principal amortization schedule, thereby reducing future debt service payments. The Borrower will be able to redirect improved cash flow resulting from this refinancing to support various programming initiatives throughout its Winnebago County service area.

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## BUSINESS SUMMARY

**Background:** **YMCA of Rock River Valley, an Illinois not-for-profit corporation (“YMCA” or the “Borrower”)** was incorporated under Illinois law in August 1886 and is a 501(c)(3) corporation.

The Borrower is currently governed by a 19-member Board of Directors. (Please see the Economic Disclosure Statement on pages 5-6 for further information.)

History and  
Background on  
YMCA -

**International:** The Young Men's Christian Association (commonly known as “YMCA” or simply the “Y”) is a worldwide organization with more than 58 million beneficiaries from 125 national associations. It was founded on June 6, 1844 in London and aims to put Christian principles into practice by developing a healthy "body, mind and spirit". The various local YMCAs are voluntarily affiliated through their national organizations. The national organizations in turn are part of both an Area Alliance and the World Alliance of YMCAs. The World Alliance is headquartered in Geneva, Switzerland.

Originally, the YMCA focused on both promoting good sportsmanship in athletic contests in gymnasiums (where basketball and volleyball were invented) and swimming pools, while promoting evangelical Christianity in religious services. Beginning in the 1930s and continuing to the present, the YMCA de-emphasized sponsorship of specific religious beliefs and, instead, focused promoting character development by supporting morality and good citizenship while inspiring youths and their families to exercise and undertake healthful living practices.

Nationally, there are more than 2,600 local YMCAs located throughout the U.S.

Background on  
YMCA of Rock  
River Valley:

The YMCA of Rock River Valley is an independent, autonomous organization with its own governing board, professional staff, and financial resources.

YMCA of Rock River Valley is a full service YMCA serving Winnebago County with 7 YMCA branch facilities. More than 35,000 individuals comprise respective the YMCA of Rock River Valley community.

The YMCA of Rock River Valley continues to grow and expand to better serve its members and participants by providing programs or services in areas of Youth, Health and Social Responsibilities.

The mission of YMCA of Rock River Valley is to connect and engage people to enhance lives and build community collaboration, with the following Areas of Impact:

- **Health** –help people grow healthier in spirit, mind and body
- **Families** –strengthen relationships between children and their parents and other adults who care for them
- **Relationships** –foster social interaction and caring
- **Bridge Building** –bring diverse individuals, groups, organizations, and communities together for sharing, problem solving, and mutual support
- **Servant Leadership** – we will challenge individuals to work to improve their community and all of the Rock River Valley area.

General information on the two facilities that were financed with proceeds of the original Winnebago County Series 2006 Bonds follow below:

1. The I.D. Pennock Family YMCA, located at 200 Y Blvd in Rockford, has many activities and programs for families and is the Borrower's largest facility. This facility is equipped with an aerobic training center and strength training center, indoor track, personal training studio, six racquetball courts, two indoor pools (lap pool and family fun pool), full service locker rooms, steam rooms, two gymnasiums, youth fitness center, child watch, and café. Additionally, The I.D. Pennock YMCA offers wellness, fitness, and exercise classes.
2. The Northeast Family YMCA, located at 8451 Orth Road in Loves Park is the newest facility in YMCA of Rock River Valley's network. The Northeast Family YMCA is equipped with a training center, wellness, fitness, and exercise classes, indoor pool, locker rooms, gymnasium, youth and family center, youth fitness center, child watch and more. Northeast Family YMCA also offers physical therapy and rehabilitation services on-site through a partnership with Swedish American Health System, which leases approximately 2,600 square feet of space from YMCA of Rock River Valley. (Please see the Economic Disclosure Statement on pages 5-6 for further information.)

On June 9, 2013, YMCA of Rock River Valley officially kicked off a 10-year, \$20 million capital campaign to reinvest in the future of the community. The goal of this campaign is to raise \$2 million per annum for the next 10 years. Projects will proceed as enough funds are raised. Anonymous donations have already surpassed \$1 million. As a result, one of the first projects to be launched is a new youth interactive center at the I.D. Pennock Family YMCA in Downtown Rockford.

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#### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **YMCA of Rock River Valley**, an Illinois not-for-profit corporation ("YMCA" or the "**Borrower**"), to refinance (through the repayment of an interim taxable loan) the payment of the costs of (i) constructing, acquiring, renovating, remodeling, improving, furnishing and equipping of certain facilities, including a 60,000 square foot health and recreational facility, owned and operated by the Borrower located at 8451 Orth Road, Loves Park, Illinois, and other facilities owned and operated by the Borrower located at 200 Y Boulevard, Rockford, Illinois (collectively, the "**Project**"), (ii) the payment of costs of issuance of the Bond, and (iii) if deemed necessary or desirable, working capital expenditures related to the Project (the "**Financing Purposes**").

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#### ECONOMIC DISCLOSURE STATEMENT

Applicant: **YMCA of Rock River Valley**, 220 East State Street, Rockford, IL 61104

Contact: Mike Brown, President and Chief Executive Officer  
(T): 815/489-1268; (E-mail): [mbrown@rockriverymca.org](mailto:mbrown@rockriverymca.org)

Website: [www.rockriverymca.org](http://www.rockriverymca.org)

Project name: IFA Series 2013 Bonds (YMCA of Rock River Valley Project)

Locations: The initial owner, operator or manager of the facilities being financed or refinanced with the proceeds of the Bonds is the Borrower. All of the facilities to be financed or refinanced with the proceeds of the Bonds will be located at the following addresses: 200 Y Boulevard, Rockford Illinois 61107 and 8451 Orth Road, Loves Park, Illinois 61111.

Organization: Illinois 501(c)(3) not-for-profit corporation

Board of

Directors: David Anderson - Spring Creek Partners  
 Mike Broski - Entre Computer Solutions  
 Amy Diaz - Rock Valley College  
 Michael Doar - Hurco Companies  
 Earl Dotson, Jr. - Rockford Public Schools  
 Rick Engen - Pharmaceuticals (Retired)  
 Einar Forsman - Rockford Chamber of Commerce  
 Roberta Holzwarth - Holmstrom & Kennedy  
 Dr. Martin Lipsky - University of IL, College of Medicine  
 Lesley Medrano - SwedishAmerican Health System  
 Richard Mowris - Rockford Products  
 Amy Ott - Chicago Rockford International Airport  
 Dan Parod - Rockford Health Systems  
 Brent Scott - JPMorgan Chase  
 David Stenerson - OSF St. Anthony Medical Center  
 Suzi Sullivan - Teacher (Retired)  
 Stacie Scott - Rockford Park District  
 Tom Wieland - Rock Valley Oil & Chemical  
 Bill Zibell - Banker (Retired)

Tenant:

**Loves Park Facility (8451 Orth Rd.) -**

Northeast Family YMCA

**Lessee:**

Swedish American Health Systems Corporation, an Illinois not-for-profit corporation, 8451 Orth Road, Loves Park, IL 61111. Contact: Mr. Donald Haring, Vice President, Finance and Treasurer; Phone: (815) 961-2386. (Swedish American leases approximately 2,600 square feet of space at the Northeast Family YMCA facility.)

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Howard, Hardyman and Worden, LLP	Rockford, IL	Curt Worden
Auditor:	Sikich LLP	Rockford, IL	
Bond Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Bank/Direct			
Bond Purchaser:	BMO Harris Bank, N.A.	Rockford, IL	Michele Petrie
Bank/Purchaser's Counsel:	Chapman & Cutler LLP	Chicago, IL	Carol Thompson
IFA Counsel:	Miller, Hall & Triggs, LLC	Peoria, IL	Richard Joseph
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

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**LEGISLATIVE DISTRICTS**

	<b>I.D. Pennock Family YMCA</b>	<b>Northeast Family YMCA</b>
Congressional:	17	16
State Senate:	34	35
State House:	67	69

**\$375,000,000**  
**Presence Health Network**

September 10, 2013

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Presence Health Network</b> (“<b>Presence</b>” or the “<b>Borrower</b>”) to (i) refund all or a portion of the \$125,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2005B (Resurrection Health Care) (the “<b>Series 2005B Bonds</b>”); (ii) refund all or a portion of the \$125,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2005C (Resurrection Health Care) (the “<b>Series 2005C Bonds</b>”); (iii) refund all or a portion of the \$50,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009B (Provena Health) (the “<b>Series 2009B Bonds</b>”); (iv) refund all or a portion of the \$41,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009C (Provena Health) (the “<b>Series 2009C Bonds</b>”); (v) refund all or a portion of the \$25,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (Provena Health) (the “<b>Series 2009D Bonds</b>”); (vi) refund all or a portion of the \$31,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010C (Provena Health) (the “<b>Series 2010C Bonds</b>”) and (vii) refund all or a portion of the \$41,000,000 original aggregate principal amount Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010D (Provena Health) (the “<b>Series 2010D Bonds</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds.</p> <p><b>Extraordinary Conditions:</b> None.</p>																																								
<b>BOARD ACTIONS</b>	<p>Final Bond Resolution Preliminary Bond Resolution approved 8/13/2013 Yeas: 13; Nays: 0; Abstentions: 0; Absent 2 (Barclay, Gold); Vacancy: 0</p>																																								
<b>MATERIAL CHANGES</b>	<p>Not-to-exceed amount has increased to \$375,000,000 due to refunding two additional series</p>																																								
<b>JOB DATA</b>	<table border="0"> <tr> <td>21,800</td> <td>Current employees</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	21,800	Current employees	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected																																
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N/A	Retained jobs	N/A	Construction jobs projected																																						
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location – Multiple locations in Chicago and the Northeast Region (see “Service Area”)</li> <li>• On November 1, 2011, Provena Health and Resurrection Health Care consolidated to form Presence Health, the largest Catholic health system in the State of Illinois. Presence Health operates 12 acute care hospitals and 27 senior care facilities.</li> <li>• Presence Health is sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary, the Sisters of the Holy Family of Nazareth, the Sisters of Mercy of the Americas and the Sisters of the Resurrection.</li> </ul>																																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Ratings of Presence Health are Baa1, BBB+, and BBB+ (Moody’s/S&amp;P/Fitch).</li> <li>• The plan of finance contemplates the issuance of several tax-exempt series of bonds that will be purchased directly by various banks. The 2013 Bonds will have a variable rate of interest tied to LIBOR and will be held by the banks for tenors up to ten years.</li> </ul>																																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• The Bonds will be issued pursuant to Presence Health Network’s Amended and Restated MTI dated May 1, 2013. The banks will each have Master Notes under that MTI.</li> </ul>																																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 2045.</li> </ul>																																								
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td><b>Sources:</b></td> <td></td> <td><b>Uses:</b></td> <td></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$367,140,000</u></td> <td>Refund IFA Series:</td> <td></td> </tr> <tr> <td></td> <td></td> <td>2005B</td> <td>\$119,140,000</td> </tr> <tr> <td></td> <td></td> <td>2005C</td> <td>\$60,000,000</td> </tr> <tr> <td></td> <td></td> <td>2009B</td> <td>\$50,000,000</td> </tr> <tr> <td></td> <td></td> <td>2009C</td> <td>\$41,000,000</td> </tr> <tr> <td></td> <td></td> <td>2009D</td> <td>\$25,000,000</td> </tr> <tr> <td></td> <td></td> <td>2010C</td> <td>\$31,000,000</td> </tr> <tr> <td></td> <td></td> <td>2010D</td> <td><u>\$41,000,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$367,140,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$367,140,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$367,140,000</u>	Refund IFA Series:				2005B	\$119,140,000			2005C	\$60,000,000			2009B	\$50,000,000			2009C	\$41,000,000			2009D	\$25,000,000			2010C	\$31,000,000			2010D	<u>\$41,000,000</u>	<b>Total</b>	<b><u>\$367,140,000</u></b>	<b>Total</b>	<b><u>\$367,140,000</u></b>
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<b>RECOMMENDATION</b>	<p>Credit Committee recommends approval.</p>																																								

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 10, 2013**

**Project: Presence Health Network**

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**STATISTICS**

Project Number:	H-HO-TE-CD-8639	Amount:	\$375,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Chicago and Central Illinois	County/Region:	Northeast

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**BOARD ACTION**

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

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**VOTING RECORD**

Preliminary Bond Resolution approved 8/13/2013  
Yeas: 13; Nays: 0; Abstentions: 0; Absent 2 (Barclay, Gold); Vacancy: 0

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**PURPOSE**

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

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**IFA PROGRAM AND CONTRIBUTION**

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

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$367,140,000</u>	Refund IFA Series:	
		2005B	\$119,140,000
		2005C	\$60,000,000
		2009B	\$50,000,000
		2009C	\$41,000,000
		2009D	\$25,000,000
		2010C	\$31,000,000
		2010D	<u>\$41,000,000</u>
<b>Total</b>	<b><u>\$367,140,000</u></b>	<b>Total</b>	<b><u>\$367,140,000</u></b>

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**JOBS**

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

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**FINANCING SUMMARY**

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



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**PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)**

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

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**BUSINESS SUMMARY**

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

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**ECONOMIC DISCLOSURE STATEMENT**

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

The 2013 Board Members of Presence Health are listed below:

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

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**PROFESSIONAL & FINANCIAL**

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

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**LEGISLATIVE DISTRICTS**

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

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**SERVICE AREA**

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

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

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: September 10, 2013

Re: Resolution Authorizing and Approving Certain Amendments Relating to Various Outstanding Series of Bonds Issued on Behalf of OSF Healthcare System and Authorizing and Approving Certain Related Matters

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**OSF Healthcare System** (“**OSF**” or the “**Borrower**”) will be cancelling certain insurance policies issued by Assured Guaranty Municipal Corp. (“**AGMC**”), formerly known as Financial Security Assurance Inc., replacing certain liquidity facilities with letters of credit, releasing certain debt service reserve funds, substituting letters of credit for funds held in certain debt service reserve funds, changing remarketing agents for certain series of bonds and making certain changes to bond documents.

The Illinois Finance Authority (the “**Authority**”) has previously issued its **Series 2007E Bonds** and **Series 2007F Bonds** for the benefit of the Borrower. JPMorgan Chase Bank, N.A. (“**JPMorgan**”) and PNC Bank, National Association (“**PNC**”), as successor to National City Bank, pursuant to separate Standby Bond Purchase Agreements (the “**Original Liquidity Facilities**”) currently provide for the payment of the purchase price of tendered Series 2007E Bonds and Series 2007F Bonds, respectively, that are not remarketed. The timely payment of principal of and interest on the Series 2007E Bonds and the Series 2007F Bonds are insured by separate financial guaranty insurance policies (the “**Bond Insurance Policies**”) issued by AGMC.

The credit ratings assigned to AGMC have been periodically reduced resulting in an increase in the interest rates payable on the Series 2007E Bonds and the Series 2007F Bonds and an increased cost of capital for the Corporation. In order to reduce its cost of capital, the Corporation has determined that the Bond Insurance Policies should be cancelled and returned to AGMC (the “**Cancellation**”) and that the Original Liquidity Facilities should be replaced (the “**LOC Substitution**”) with irrevocable direct pay letters of credit provided by Barclays Bank PLC to further secure the Series 2007E Bonds and the Series 2007F Bonds.

In connection with the Cancellation, the Corporation has requested that the funds on deposit in the debt service reserve funds which secure the Series 2007E Bonds and the Series 2007F Bonds be released (the “**2007EF DSRF Liquidation**”) and applied to pay or reimburse the Corporation for the acquisition, construction, renovation or equipping additional health care facilities, to retire outstanding bonds of the Corporation or to such other purpose as may be permitted by the Illinois Finance Authority Act (the “**Act**”) and other applicable laws.

In connection with the LOC Substitution, the Cancellation and the 2007EF DSRF Liquidation it is necessary and advisable to amend and restate the bond trust indentures and loan agreements relating to the Series 2007E Bonds and the Series 2007F Bonds. In connection with the LOC Substitution, the Series 2007E Bonds and the 2007F Bonds will be subject to mandatory tender and will be remarketed. Purchasers of the remarketed Series 2007E Bonds and Series 2007F Bonds will be deemed to have consented to the Cancellation, the LOC Substitution and the 2007EF DSRF Liquidation.

The Authority also previously issued its Series 2009D Bonds for the benefit of the Borrower. Merrill Lynch, Pierce, Fenner & Smith Incorporated has resigned or is expected to resign as remarketing agent for the **Series 2007E Bonds**, the **Series 2007F Bonds** and the **Series 2009D Bonds** and the Corporation intends to appoint Barclays Capital Inc. as successor remarketing agent for the Series 2007E Bonds, the Series 2007F Bonds and the Series 2009D Bonds.

The Authority has also issued its **Series 2007A Bonds**, **Series 2009A Bonds** and **Series 2010A Bonds** for the benefit of the Borrower. In accordance with the bond trust indentures for such bonds, the Corporation expects to cause irrevocable letters of credit (the “**DSRF Letters of Credit**”) issued by JPMorgan to be deposited in the debt service reserve funds for the Series 2007A Bonds, the Series 2009A Bonds and the Series 2010A Bonds. In connection with the deposit of the DSRF Letters of Credit, the Corporation has requested that the funds on deposit in the debt service reserve funds which secure the Series 2007A Bonds, the Series 2009A Bonds and the Series 2010A Bonds be released and applied to pay or reimburse the Corporation for the acquisition, construction, renovation or equipping additional health care facilities, to retire outstanding bonds of the Corporation or to such other purpose as may be permitted by the Act and other applicable laws.

**IFA RESOLUTION NO. 2013-0910-AD**

**RESOLUTION AUTHORIZING AND APPROVING CERTAIN AMENDMENTS RELATING TO VARIOUS OUTSTANDING SERIES OF BONDS ISSUED ON BEHALF OF OSF HEALTHCARE SYSTEM AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS**

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

**WHEREAS**, on August 29, 2007 the Authority issued its (i) \$119,100,000 Revenue Bonds, Series 2007A (OSF Healthcare System) (the "*Series 2007A Bonds*"), (ii) \$70,000,000 Insured Variable Rate Demand Revenue Bonds, Series 2007E (OSF Healthcare System) (the "*Series 2007E Bonds*") and (iii) \$70,000,000 Insured Variable Rate Demand Revenue Bonds, Series 2007E (OSF Healthcare System) (the "*Series 2007E Bonds*"), and loaned the proceeds thereof to OSF Healthcare System (the "*Corporation*"), a not for profit corporation incorporated under the laws of the State of Illinois; and

**WHEREAS**, on March 31, 2009 the Authority issued its (i) \$124,990,000 Revenue Bonds, Series 2009A (OSF Healthcare System) (the "*Series 2009A Bonds*"), and (ii) \$25,000,000 Variable Rate Demand Revenue Bonds, Series 2009D (OSF Healthcare System) (the "*Series 2009D Bonds*"), and loaned the proceeds thereof to the Corporation; and

**WHEREAS**, on June 29, 2010 the Authority issued its \$162,905,000 Revenue Refunding Bonds, Series 2010A (OSF Healthcare System) (the "*Series 2010A Bonds*") and loaned the proceeds thereof to the Corporation; and

**WHEREAS**, in connection with the issuance of the Series 2007E Bonds, the Authority, Wells Fargo Bank, N.A., as bond trustee (the "*Bond Trustee*"), the Corporation and JPMorgan Chase Bank, N.A. ("*JPMorgan*") entered into a standby bond purchase agreement (the "*Series 2007E Liquidity Facility*") pursuant to which JPMorgan provides the payment of the purchase price of tendered Series 2007E Bonds that are not remarketed; and

**WHEREAS**, in connection with the issuance of the Series 2007F Bonds, the Authority, the Bond Trustee, the Corporation and PNC Bank, National Association ("*PNC*"), as successor to National City Bank, entered into a standby bond purchase agreement (the "*Series 2007F Liquidity Facility*" and, together with the Series 2007E Liquidity Facility, the "*Original Liquidity Facilities*") pursuant to which PNC provides the payment of the purchase price of tendered Series 2007F Bonds that are not remarketed; and

**WHEREAS**, the timely payment of principal of and interest on the Series 2007E Bonds and the Series 2007F Bonds are insured by separate financial guaranty insurance policy (the "*Bond Insurance Policies*") issued by Assured Guaranty Municipal Corp. ("*AGMC*"), formerly known as Financial Security Assurance Inc.; and

**WHEREAS**, the credit ratings assigned to AGMC have been periodically reduced resulting in an increase in the interest rates payable on the Series 2007E Bonds and the Series 2007F Bonds and an increased cost of capital for the Corporation; and

**WHEREAS**, in order to reduce its cost of capital the Corporation has now determined that the Bond Insurance Policies should be cancelled and returned to AGMC (the "*Cancellation*") and that the Original Liquidity Facilities should be replaced (the "*LOC Substitution*") with irrevocable direct pay letters of credit (the "*Barclays Letters of Credit*") provided by Barclays Bank PLC ("*Barclays Bank*"), or such other banks as determined by the Corporation, to further secure the Series 2007E Bonds and the Series 2007F Bonds;

**WHEREAS**, in connection with the Cancellation the Corporation has requested that the funds on deposit in the debt service reserve fund which secures the Series 2007E Bonds and in the debt service reserve fund which secures the Series 2007F Bonds be released (the “*2007EF DSRF Liquidation*”) and applied to pay or reimburse the Corporation for the acquisition, construction, renovation or equipping additional health care facilities, to retire outstanding bonds of the Corporation or to such other purpose as may be permitted by the Act and other applicable laws; and

**WHEREAS**, in connection with the LOC Substitution, the Cancellation and the 2007EF DSRF Liquidation it is necessary and advisable to amend and restate (i) the Bond Trust Indenture dated as of August 1, 2007 (the “*2007E Original Bond Indenture*”) between the Authority and the Bond Trustee, (ii) the Bond Trust Indenture dated as of August 1, 2007 (the “*2007F Original Bond Indenture*”) between the Authority and the Bond Trustee, (iii) the Loan Agreement dated as of August 1, 2007 (the “*2007E Original Loan Agreement*”) between the Authority and the Corporation and (iv) the Loan Agreement dated as of August 1, 2007 (the “*2007F Original Loan Agreement*”) between the Authority and the Corporation; and

**WHEREAS**, in connection with the LOC Substitution, the Series 2007E Bonds and the 2007F Bonds will be subject to mandatory tender (the “*Mandatory Tender*”); and

**WHEREAS**, in connection with the LOC Substitution, the Cancellation and the 2007EF DSRF Liquidation will be remarketing and the owners of the remarketed Series 2007E Bonds and Series 2007F Bonds will be deemed to have consented to the Cancellation, the LOC Substitution and the 2007EF DSRF Liquidation ; and

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

(a) an Amended and Restated Bond Trust Indenture (the “*2007E Amended Bond Indenture*”) between the Authority and the Bond Trustee, amending and restating the 2007E Original Bond Indenture and including a restated form of Series 2007E Bond;

(b) an Amended and Restated Bond Trust Indenture (the “*2007F Amended Bond Indenture*”) between the Authority and the Bond Trustee, amending and restating the 2007F Original Bond Indenture and including a restated form of Series 2007F Bond;

(c) an Amended and Restated Loan Agreement (the “*2007E Amended Loan Agreement*”) between the Authority and the Corporation, amending and restating the 2007E Original Loan Agreement between the Authority and the Corporation;

(d) an Amended and Restated Loan Agreement (the “*2007F Amended Loan Agreement*” and, together with the 2007E Amended Loan Agreement, the “*Loan Agreements*”) between the Authority and the Corporation, amending and restating the 2007F Original Loan Agreement between the Authority and the Corporation; and

**WHEREAS**, in connection with the Cancellation, it will be necessary that the Authority, along with the Corporation, the Bond Trustee and AGMC execute and deliver a Cancellation Agreement (the “*Cancellation Agreement*”);

**WHEREAS**, in connection with the foregoing, the following additional documents will be executed and delivered by parties other than the Authority (collectively, the “*Additional Transaction Documents*”):

(a) one or more reoffering circulars supplementing the Official Statements originally used to offer the Series 2007E Bonds and the Series 2007F Bonds (the “*Supplements*”), describing the LOC Substitution, the Cancellation and the 2007EF DSRF Liquidation, in such form as approved by an Authorized Officer (as hereinafter defined) prior to the delivery thereof; and

(b) a Thirty-Fifth Supplemental Master Trust Indenture among the Corporation, Saint Elizabeth Medical Center, Ottawa Regional Hospital Foundation (collectively, the "*Members of the Obligated Group*") and Wells Fargo Bank, National Association, as master trustee (the "*Master Trustee*"), supplementing and amending the Amended and Restated Master Trust Indenture dated as of September 15, 1999, as heretofore amended, supplemented and restated (collectively, the "*Master Indenture*"), providing for, among other things, the issuance thereunder of Obligations to JPMorgan and Barclays Bank; and

(c) one or more reimbursement agreements (the "*Barclays LOC Agreements*") between the Corporation and Barclays Bank providing for the issuance of the Barclays Letters of Credit;

**WHEREAS**, Merrill Lynch, Pierce, Fenner & Smith Incorporated has resigned or is expected to resign as remarketing agent for the Series 2007E Bonds, the Series 2007F Bonds and the Series 2009D Bonds and the Corporation intends to appoint Barclays Capital Inc. as successor remarketing agent for the Series 2007E Bonds, the Series 2007F Bonds and the Series 2009D Bonds (the "*Remarketing Agent Changes*");

**WHEREAS**, in accordance with the bond trust indentures between the Authority and the Bond Trustee relating to the Series 2007A Bonds, the Series 2009A Bonds and the Series 2010A Bonds, the Corporation expects to cause irrevocable letters of credit (the "*DSRF Letters of Credit*") issued by JPMorgan to be deposited in the debt service reserve funds for the Series 2007A Bonds, the Series 2009A Bonds and the Series 2010A Bonds;

**WHEREAS**, in connection with the deposit of the DSRF Letters of Credit, the Corporation has requested that the funds on deposit in the debt service reserve fund which secures the Series 2007A Bonds, the debt service reserve fund which secures the Series 2009A Bonds and in the debt service reserve fund which secures the Series 2010A Bonds be released (the "*DSRF LOC Substitution*") and applied to pay or reimburse the Corporation for the acquisition, construction, renovation or equipping additional health care facilities, to retire outstanding bonds of the Corporation or to such other purpose as may be permitted by the Act and other applicable laws; 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 2004 Bonds and 2006 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. Cancellation Agreement.** The Authority does hereby authorize and approve the execution by an Authorized Officer and the delivery and use of the Cancellation Documents. The Cancellation Agreement shall be substantially in the form approved by the Authorized Officer executing the Loan Agreements, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the Cancellation Agreement.

**Section 3. Additional Transaction Documents.** The Authority does hereby approve the form of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer executing the Loan Agreements, 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 the Additional Transaction Documents previously provided to the Authority.



**Section 4. LOC Substitution.** The Authority does hereby approve the replacement of the Original Liquidity Facilities with the Barclays Letters of Credit, with such Barclays Letters of Credit and the Barclays LOC Agreements shall be substantially in the form approved by the Authorized Officer executing the Loan Agreements, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the Barclays Letters of Credit and the Barclays LOC Agreements shall. The Authorized Officers are hereby authorized and directed to execute all necessary certificates, consents or waivers in connection with the replacement of the Original Liquidity Facilities.

**Section 5. DSRF Letters of Credit and DSRF LOC Substitution.** The Authority does hereby approve the delivery of the DSRF Letters of Credit and the DSRF LOC Substitution. The Authorized Officers are hereby authorized and directed to execute all necessary documents, certificates, consents or waivers in connection with the delivery of the DSRF Letters of Credit and the DSRF LOC Substitution.

**Section 6. Remarketing Agent Changes.** The Authority does hereby approve the Remarketing Agent Changes. The Authorized Officers are hereby authorized and directed to execute all necessary documents, certificates, consents or waivers in connection with the Remarketing Agent Changes.

**Section 7. Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents, the Cancellation Agreement and the Additional Transaction Documents, and to facilitate the delivery of the Barclays Letters of Credit and the DSRF Letters of Credit, the Cancellation, the 2007EF DSRF Liquidation, the DSRF LOC Substitution and the Remarketing Agent Changes, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the 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 or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable Authority Document.

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

**Section 10. Immediate Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

**ILLINOIS FINANCE AUTHORITY**  
**Memorandum**

To: IFA Board of Directors

From: Pamela Lenane, Acting General Counsel and Vice President

Date: September 10, 2013

Re: Resolution Authorizing Actions to Assist with Proposed Master Trust Indenture Obligation Substitution for The Methodist Medical Center of Illinois

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In October 2011, **Methodist Health Services Corporation** (“MHSC”), the parent of **The Methodist Medical Center of Illinois** (“MMCI”), finalized a strategic affiliation (the “**Affiliation**”) with **Iowa Health System** (“IHS”). Since the Affiliation, IHS, MHSC and MMCI have been working on integrating MHSC and MMCI with the IHS system and have been implementing various components of the integration plan. At this time, management of IHS and MHSC have decided to bring MMCI and MHSC into the IHS obligated group.

The Authority has previously issued two series of revenue bonds for MMCI in 2011. These revenue bonds are secured by notes that have been issued pursuant to the MMCI Master Trust Indenture to secure the payment of the revenue bonds. IHS and MHSC would like to provide for MMCI becoming a member of the IHS Obligated Group by using existing provisions in the bond documentation that allow for substitution of the MMCI Master Trust Indenture obligations with obligations issued by the IHS Obligated Group under its Master Trust Indenture. In order to complete the substitution, there may be amendments to the bond documents for the MMCI revenue bonds required.

PNC Bank, National Association is the owner of one series of the MMCI bonds and has issued a letter of credit securing the other series of bonds. PNC’s consent to MMCI joining the IHS Obligated Group and the substitution of MMCI obligations held by PNC will also be necessary to complete these transactions. IHS and MHSC are in the process of obtaining the required consents and approvals from PNC.

MMCI has requested that the Illinois Finance Authority be prepared to provide any necessary consents or approvals to the MMCI obligation substitutions that may be required under the bond documents for the MMCI bonds. The proposed resolution will delegate to the Executive Director and the acting General Counsel the authority to make the determination of what actions may be required by the Illinois Finance Authority to approve and document, if necessary, (1) the addition of MMCI to the IHS Obligated Group and (2) the substitution of Master Trust Indenture notes issued by the IHS Obligated Group for any note currently securing the Authority’s bonds for MMCI.

**RESOLUTION NUMBER 2013-\_\_\_\_\_**

**RESOLUTION AUTHORIZING ACTIONS TO ASSIST WITH PROPOSED MASTER TRUST  
INDENTURE OBLIGATION SUBSTITUTION FOR THE METHODIST MEDICAL CENTER  
OF ILLINOIS**

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

**WHEREAS**, the Authority has previously issued its revenue bonds (the “*Bonds*”) for the benefit of The Methodist Medical Center of Illinois (“*MMCI*”), an Illinois not for profit corporation; and

**WHEREAS**, MMCI and its parent, Methodist Health Services Corporation (“*MHSC*”), affiliated with the healthcare system of Iowa Health System (“*IHS*”) in 2011; and

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

**WHEREAS**, in furtherance of the affiliation, IHS and MMCI have determined that it is desirable to combine the credits of the IHS Obligated Group and the MMCI Obligated Group, including, but not limited to, the exchange of obligations that have been delivered by the MMCI Obligated Group as security for any of the Bonds with substitute obligations issued by the IHS Obligated Group and MMCI and MHSC joining the IHS Obligated Group (the “*MTI Obligation Exchange*”); and

**WHEREAS**, MMCI has requested that, if required by any of the documents related to the Bonds (the “*Bond Documents*”), the Authority execute such supplements or amendments to the Bond Documents or provide any necessary consents or approvals as may be necessary to complete the MTI Obligation Exchange;

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

**Section 1. Bond Document Amendments.** The Authority does hereby authorize and approve the execution by its Chairman, Vice Chairman or Executive Director (each an “*Authorized Officer*”) and the delivery and use of such supplements and amendments to the Bond Documents as may be required by the Bond Documents (as determined by the Executive Director and the acting General Counsel) to complete the MTI Obligation Exchange. The amendments and supplements shall be substantially in the forms approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the forms of such supplements and amendments to the Bond Documents.

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

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

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

**Section 4. Separability.** The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

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

## ILLINOIS FINANCE AUTHORITY

### Memorandum

To: IFA Board of Directors

From: Dennis Anosike, Chief Financial Officer/Agency Procurement Officer

Date: September 10, 2013

Re: Resolution Approving the Terms of Various Contracts

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#### **New Markets Tax Credits – Legal Counsel**

On August 13, 2013 the Illinois Finance Authority (the “**Authority**” or “**IFA**”) Board of Directors approved a resolution ratifying the actions of the Executive Director of the Authority in applying for New Market Tax Credits (“**NMTC**”) and delegating to the Executive Director the authority to perform all further actions necessary to secure the allocation of NMTC.

One of the actions undertaken by the Executive Director was the selection of Ginsberg Jacobs LLC (“**Ginsberg**”) to assist IFA with the (1) formation of an Illinois not-for-profit corporation that would serve as the Community Development Entity (“**CDE**”), (2) preparation of the Articles of Incorporation and Bylaws for the new CDE entity and (3) preparation and filing of the CDE application with the Community Development Financial Institutions Fund.

Following a competitive quotation process, a Committee of IFA staff recommended Ginsberg Jacobs based on qualification and price. Ginsberg’s fee for its services under this contract will not exceed \$4,500.

#### **New Markets Tax Credits – Accounting Services**

On August 13, 2013 the Authority requested quotations on its website from firms to assist in preparing, drafting, completing and filing applications for allocation of NMTC and all related and required attachments and submittals with the United States Department of Treasury, Community Development Financial Institutions Fund. If IFA receives a NMTC allocation, the selected vendor will also assist IFA and investors with longer term financial modeling and compliance activities.

Emails seeking quotes were also sent to the following firms:

1. Columbia Capital Management, LLC
2. Wishneff Group
3. Reznick Group
4. Novogradac & Company LLP
5. SB Friedman Development Advisors
6. Rubin Brown
7. Plante Moran
8. Baker Tilly Virchow Krause, LLP

9. Dean Balice
10. The PFM Group
11. Acacia Financial Group, Inc.
12. Smith NMTC Associates, LLC

This request for quotations was procured under Section I (A)(2) of IFA's Procurement Policy to enable IFA to meet the tight NMTC application deadline in order to pursue a significant market opportunity for supporting local economic development that was not previously practicable for the Authority after consideration of the totality of the circumstances.

NMTC generally provide equity to projects in low income census tracts (or projects benefiting low income individuals) equal to roughly 25% of the total allocation. Put another way – NMTC can turn \$500,000 of equity into \$3 million of equity on a \$10 million project, thus reducing total financing need to \$7 million rather than \$9.5 million.

Response to the request for quotations were due to the Authority on August 19, 2013 at 5:00 p.m.; accordingly IFA received the following three quotations:

1. Baker Tilly Virchow Krause, LLP
2. Columbia Capital Municipal Advisors
3. Novogradac & Company LLP

Novogradac & Company LLP's quotation was disqualified due to late submission. An Evaluation Committee of three Authority staff members (specifically, Brad Fletcher (Financial/Legal Analyst), Nora O'Brien (Associate General Counsel) and Dennis Anosike (Chief Financial Officer/Agency Procurement Officer) evaluated the remaining responses based on experience, record of success and price; and recommended Baker Tilly Virchow Krause, LLP ("**Baker Tilly**") as the most responsible vendor. Baker Tilly will charge a \$40,000 upfront application writing fee plus a one percent success fee based on the amount of NMTC allocation awarded to IFA. The firm will also be entitled to one percent from each investor for transactions management, evaluation of investment opportunities and financial modeling based on the NMTC allocation designated for such investor as each transaction closes.

The NMTC application is due to United States Department of Treasury, Community Development Financial Institutions Fund by September 18, 2013.

**RESOLUTION NO. 2013-0910-AD08**

**RESOLUTION APPROVING THE TERMS OF VARIOUS CONTRACTS**

**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;

**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.

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

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

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

**Section 2. Approval of New Markets Tax Credits – Legal Counsel Contract.** The Authority hereby approves the terms of the contract with Ginsberg Jacobs LLC (“Ginsberg”) to assist the Authority with the (1) formation of an Illinois not-for-profit corporation that would serve as the Community Development Entity (“CDE”), (2) preparation of the Articles of Incorporation and Bylaws for the new CDE entity and (3) preparation and filing of the CDE application with the Community Development Financial Institutions Fund (the “Ginsberg Contract”).

**Section 3. Approval of New Markets Tax Credits – Accounting Services Contract.** The Authority hereby approves the terms of the contract with Baker Tilly Virchow Krause, LLP (“Baker Tilly”) for preparing, drafting, completing and filing the application for an allocation of New Markets Tax Credits and all related and required attachments and submittals with the United States Department of Treasury, Community Development Financial Institutions Fund (the “Baker Tilly Contract”).

**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 the Baker Tilly Contract and the Ginsberg 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.