

**ILLINOIS FINANCE AUTHORITY**

**Tuesday, April 9, 2013**

**AGENDA**

**COMMITTEE OF THE WHOLE MEETING**

**9:30 a.m.**

**IFA Chicago Office  
Two Prudential Plaza  
180 North Stetson Avenue, Suite 2555  
Chicago, Illinois 60601**

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

**BOARD MEETING**

**10:30 a.m.**

**Conference Center  
One Prudential Plaza  
130 East Randolph Street, Suite 750  
Chicago, Illinois 60601**

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

**Board Meeting**

April 9, 2013

Page 2

**PROJECT REPORTS AND RESOLUTIONS**

**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>  |                           |                            |                      |          |             |       |
| 1   | DePaul University         | Chicago (Cook County)      | \$42,000,000         | N/A      | N/A         | RF/BF |
| 2   | The University of Chicago | Chicago (Cook County)      | \$400,000,000        | N/A      | N/A         | RF/BF |
| <b>501(c)(3) Revenue Bonds</b>  |                           |                            |                      |          |             |       |
| <i>Preliminary</i>  |                           |                            |                      |          |             |       |
| 3   | Concordia University      | River Forest (Cook County) | \$29,500,000         | N/A      | N/A         | RF/BF |
| <b>TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS</b> |                           |                            | <b>\$471,500,000</b> | -        | -           |       |

**HEALTHCARE PROJECTS**

| Tab                              | Project Name                        | Location                                   | Amount               | New Jobs   | Const. Jobs  | FM    |
|----------------------------------|-------------------------------------|--|----------------------|------------|--------------|-------|
| <b>501(c)(3) Revenue Bonds</b>   |                                     |  |                      |            |              |       |
| <i>Preliminary</i>               |                                     |  |                      |            |              |       |
| 4                                | Riverside Health System             | Kankakee and Bourbonnais (Kankakee County) | \$35,000,000         | 75         | 200          | PL/NO |
| 5                                | Rehabilitation Institute of Chicago | Chicago (Cook County)                      | \$450,000,000        | 330        | 1,460        | PL/NO |
| <b>TOTAL HEALTHCARE PROJECTS</b> |                                     |  | <b>\$485,000,000</b> | <b>405</b> | <b>1,660</b> |       |
| <b>GRAND TOTAL</b>               |                                     |  | <b>\$956,500,000</b> | <b>405</b> | <b>1,660</b> |       |

April 9, 2013

TO: William A. Brandt, Jr., Chairman  
Dr. William Barclay  
Gila J. Bronner  
James J. Fuentes  
Norman M. Gold  
Roger E. Poole  
Mordecai Tessler

Michael W. Goetz, Vice-Chairman  
Terrence M. O'Brien  
Heather D. Parish  
Mayor Barrett F. Pedersen  
Lerry Knox  
Edward H. Leonard, Sr.  
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

This month, we are pleased to present a robust agenda for consideration by the Members of the Authority.

### ***Higher Education Projects***

Of particular interest, we are pleased to present three private universities which will advance key projects this month. Both DePaul University and The University of Chicago are returning for approval of a Final Bond Resolution after receiving preliminary approval by the Authority in March.

Furthermore, Concordia University is requesting approval of an Inducement Resolution to refund its outstanding Adjustable Rate Demand Revenue Bonds issued by the Authority in 2009. Concordia University is a private liberal arts educational institution located in River Forest, Illinois that operates under the auspices of the Lutheran Church-Missouri Synod. The University, located on a 40-acre campus, has approximately 1,515 undergraduate students and approximately 3,939 graduate students enrolled for the 2012-2013 academic year.

The Authority remains steadfast in its commitment to higher education. These aforementioned private university offerings represent repeat borrowers for the Authority and we are pleased to once again service their capital needs.

### ***Healthcare Projects***

Also this month, we are pleased to present for preliminary approval Rehabilitation Institute of Chicago ("RIC"). RIC is planning to construct a 27-level building to house a 242-bed hospital located at 630 N. McClurg Court, two blocks south of the current campus. Project costs are expected to total approximately \$550 million. Philanthropy, RIC cash from investments and operations, and the sale of RIC's existing hospital building will contribute to financing total development cost.

I look forward to continuing to work with you in support of jobs and growth throughout our great state.

Respectfully,

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

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Christopher B. Meister  
Executive Director

Attachments:

Attachment 1 - Monthly Bonds Activity Report; Schedule of Debt

## Bonds Issued and Outstanding as of March 31, 2013

### Bonds Issued Since Inception of Illinois Finance Authority

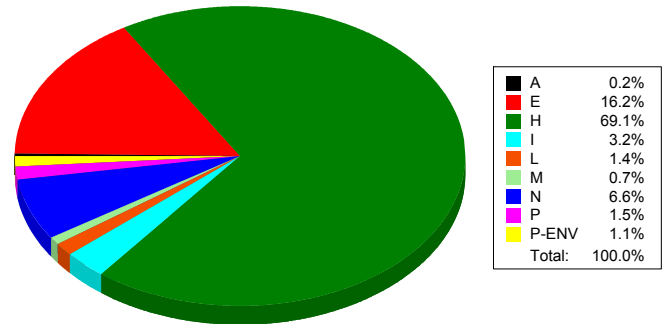
| #          | Market Sector                                | Principal Amount (\$)    |
|------------|--|--------------------------|
| 428        | Agriculture **                               | 69,471,587               |
| 92         | Education                                    | 4,583,793,100            |
| 199        | Healthcare *                                 | 19,842,326,776           |
| 87         | Industrial ***                               | 917,516,132              |
| 26         | Local Government                             | 420,155,000              |
| 17         | Multifamily/Senior Housing                   | 194,047,900              |
| 129        | 501(c)(3) Not-for Profits                    | 1,929,714,791            |
| 11         | Exempt Facilities Bonds ***                  | 425,700,000              |
| 8          | Environmental issued<br>under 20 ILCS 3515/9 | 326,630,000              |
| <b>997</b> |  | <b>\$ 28,709,355,286</b> |

\* Includes CCRC's

\*\* Number of Agriculture bonds has been adjusted to reflect the actual number of Beginner Farmer Bonds issued.

\*\*\* Three Peoples Gas bonds moved from Industrial to Exempt Facilities Bonds

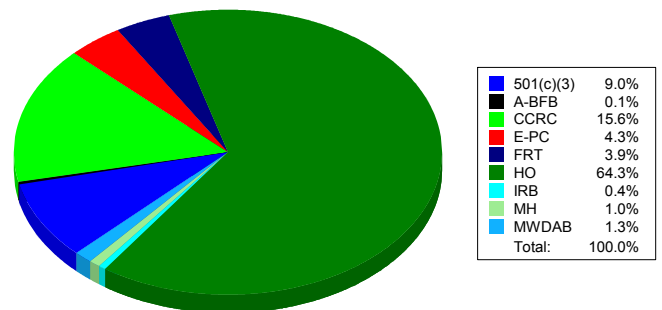
### Bonds Issued Since Inception



### Current Fiscal Year

| #         | Market Sector                     | Principal Issued        |
|-----------|-----------------------------------|-------------------------|
| 9         | Agriculture - Beginner Farmer     | 2,557,005               |
| 6         | Education                         | 81,560,000              |
| 9         | Healthcare - Hospital             | 1,230,625,000           |
| 3         | Healthcare - CCRC                 | 299,040,068             |
| 2         | Industrial Revenue                | 8,112,280               |
| 3         | Midwest Disaster Area Bonds       | 25,700,000              |
| 1         | Freight Transfer Facilities Bonds | 75,000,000              |
| 9         | 501(c)(3) Not-for-Profit          | 171,844,750             |
| 1         | MultiFamily/Senior Housing        | 18,630,000              |
| <b>43</b> |                                   | <b>\$ 1,913,069,103</b> |

### Bonds Issued - Current Fiscal Year



**Bonds Issued between July 01, 2012 and March 31, 2013**

| <u>Bond Issue</u>  | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u> | <u>Bonds Refunded</u> |
|--|--------------------|------------------------------|-------------------------|-----------------------|
| A-BFB Beginner Farmer Bonds, Series 2013A                            | 07/01/2012         | Various-See Below            | 2,557,005               | 0                     |
| 501(c)(3) Carmel Catholic High School, Series 2012                   | 07/10/2012         | DP-VRB 1.23%                 | 17,000,000              | 8,500,000             |
| MH St. Anthony of Lansing, Series 2012                               | 07/13/2012         | 6.50%                        | 18,630,000              | 0                     |
| E-PC Lake Forest College, Series 2012                                | 07/24/2012         | 4.25% to 5.75%               | 15,960,000              | 0                     |
| IRB Freedman Seating Company, Series 2012                            | 09/06/2012         | DP-VRB 1.60434%              | 6,045,000               | 1,085,000             |
| HO OSF Healthcare System, Series 2012A                               | 09/26/2012         | 3.00% to 5.00%               | 179,845,000             | 151,408,939           |
| HO SwedishAmerican Hospital, Series 2012                             | 09/27/2012         | 4.00% to 5.00%               | 41,445,000              | 0                     |
| FRT CenterPoint Joliet Terminal Railroad, Series 2012                | 09/28/2012         | DP-VRB 1.286625%             | 75,000,000              | 0                     |
| HO Hospital Sisters Services, Inc., Series 2012A,C,F-I               | 10/01/2012         | DP-VRB 0.8732%               | 407,835,000             | 254,980,000           |
| HO Rosecrance, Inc., Series 2012A&B                                  | 10/01/2012         | DP-VRB 2.48%                 | 17,360,000              | 8,200,000             |
| E-PC Rosalind Franklin University of Medicine & Science, Series 2012 | 10/02/2012         | DP-VRB 1.232%                | 15,500,000              | 0                     |
| 501(c)(3) Sacred Heart Schools, Series 2012                          | 10/11/2012         | DP-VRB 0.91%                 | 20,000,000              | 20,000,000            |
| MWDAB ROA Riverside Development, LLC, Series 2012                    | 10/15/2012         | DP-VRB 1.87%                 | 10,000,000              | 0                     |
| E-PC North Park University, Series 2012                              | 10/17/2012         | DP-VRB 2.10%                 | 30,000,000              | 0                     |
| 501(c)(3) Art Institute of Chicago, Series 2012A                     | 10/18/2012         | 3.00% to 5.00%               | 59,940,000              | 69,240,000            |
| CCRC Lutheran Home and Services, Series 2012                         | 10/30/2012         | 3.00% to 5.75%               | 98,500,000              | 23,355,000            |
| IRB Jonchris, LLC, Series 2012                                       | 11/15/2012         | DP-VRB 2.20%                 | 2,067,280               | 2,067,280             |
| HO Centegra Health System, Series 2012                               | 11/20/2012         | 4.00% to 5.00%               | 190,425,000             | 99,055,000            |
| HO Advocate Health Care Network, Series 2012                         | 11/29/2012         | 4.00% to 5.00%               | 145,620,000             | 0                     |
| MWDAB Cargill, Incorporated, Series 2012                             | 11/29/2012         | VRB 1.55%                    | 11,300,000              | 0                     |
| 501(c)(3) Big Ten Conference, Inc., Series 2012                      | 12/20/2012         | DP 2.10%                     | 13,000,000              | 0                     |
| MWDAB Practice Velocity Holdings, LLC, Series 2012                   | 12/28/2012         | DP-VRB LIBOR                 | 4,400,000               | 0                     |
| CCRC Clare Oaks Project, Series 2012A-C                              | 12/31/2012         | 7.00%                        | 89,000,068              | 89,000,068            |
| E-PC Chicago School of Professional Psychology, Series 2013          | 01/02/2013         | DP-VRB LIBOR                 | 10,000,000              | 10,000,000            |
| HO University of Chicago Medical Center, Series 2013A                | 01/24/2013         | DP-VRB LIBOR                 | 75,000,000              | 0                     |
| 501(c)(3) Helping Hand Center, Series 2013                           | 02/01/2013         | DP-VRB 3.95%                 | 7,000,000               | 4,395,000             |
| 501(c)(3) Chicago Academy of Sciences, Series 2013                   | 01/28/2013         | Variable                     | 5,519,750               | 5,480,000             |
| HO Ingalls Health System, Series 2013                                | 02/06/2013         | Fixed at Schedule            | 61,860,000              | 40,320,000            |
| E-PC Catherine Cook School, Series 2013                              | 02/16/2013         | Fixed at Constant            | 4,000,000               | 5,820,000             |
| HO Northwestern Memorial Healthcare, Series 2013                     | 02/27/2013         | Fixed at Schedule            | 111,235,000             | 52,917,058            |
| 501(c)(3) Steppenwolf Theatre Company, Series 2013                   | 02/28/2013         | Variable                     | 17,000,000              | 6,100,000             |
| 501(c)(3) American College of Chest Physicians, Series 2013          | 03/07/2013         | Variable                     | 18,000,000              | 0                     |
| CCRC Franciscan Communities, Inc., Series 2013A&B                    | 03/13/2013         | Fixed at Schedule            | 111,540,000             | 0                     |
| 501(c)(3) Concordia Place Apartments, Series 2013A&B                 | 03/21/2013         | Variable                     | 14,385,000              | 0                     |
| E-PC Northern Illinois University Foundation, Series 2013            | 03/22/2013         | Fixed at Schedule            | 6,100,000               | 0                     |
| <b>Total Bonds Issued as of March 31, 2013</b>                       |                    |                              | <b>\$ 1,913,069,103</b> | <b>\$ 851,923,344</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, 2012 and March 31, 2013**

| <u>Borrower</u>         | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>Acres</u> | <u>County</u> |
|-------------------------|--------------------|------------------------------|----------------------|--------------|---------------|
| Justison, Patricia      | 07/25/2012         | 3.75%                        | 209,000              | 38.00        | Macon         |
| Voumard, Scott & Angela | 08/08/2012         | 3.75%                        | 248,700              | 89.26        | Madison       |
| Barth, Brian C.         | 08/24/2012         | 3.75%                        | 185,000              | 97.00        | Bond          |
| Dolder, Jonathan        | 10/02/2012         | 3.00%                        | 446,650              | 122.00       | LaSalle       |
| Chandler, George        | 11/01/2012         | 3.40%                        | 488,600              | 160.00       | Henderson     |
| Ellinger, Dustin & Dee  | 11/13/2012         | 3.75%                        | 118,000              | 33.74        | Montgomery    |

**Beginner Farmer Bonds Funded between July 01, 2012 and March 31, 2013**

| <u>Borrower</u>                           | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>Acres</u>    | <u>County</u>     |
|---|--------------------|------------------------------|----------------------|-----------------|-------------------|
| Wilson, Matthew D.                        | 12/07/2012         | 3.25%                        | 75,000               | 290.00          | Jasper & Richland |
| Landheer, Arian A.                        | 12/07/2012         | 3.25%                        | 330,000              | 34.48           | Whiteside         |
| Ruppert, Jordan                           | 12/28/2012         | 4.00%                        | 456,055              | 157.00          | Perry             |
| Niemann, Caleb P.                         | 03/15/2013         | 2.75%                        | 240,000              | 40.00           | Macoupin          |
| Kabala, Keeley & Michael                  | 03/15/2013         | 3.75%                        | 346,800              | 57.50           | Henry             |
| <b>Total Beginner Farmer Bonds Issued</b> |                    |                              | <b>\$ 3,143,805</b>  | <b>1,118.98</b> |                   |

As of January 1, 2012, the amount of private activity volume cap available to the Illinois Finance Authority and allocable to Beginning Farmer Bonds is \$15,000,000. In addition, the maximum of any Beginning Farmer Bond is \$488,600.

**Agricultural Guarantees Funded between July 01, 2012 and March 31, 2013**

| <u>Agri Industry Guarantee</u>       | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>State Guarantee</u> |
|--------------------------------------|--------------------|------------------------------|----------------------|------------------------|
| Roanoke Milling Co.                  | 09/27/2012         | 5.25%                        | 796,906              | 677,370                |
| <b>Total Agri Industry Guarantee</b> |                    |                              | <b>\$ 796,906</b>    | <b>\$ 677,370</b>      |

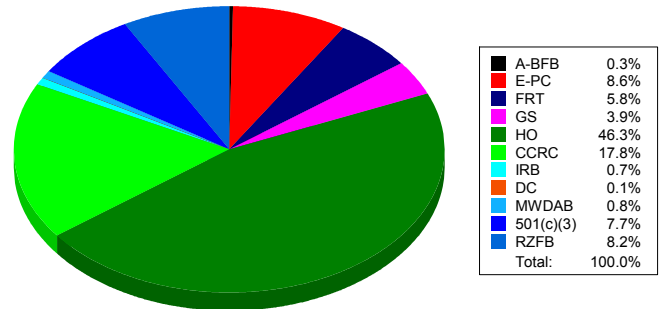
| <u>Specialized Livestock</u>                          | <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>State Guarantee</u> |
|---|--------------------|------------------------------|----------------------|------------------------|
| Duncan, Brian & Kelly                                 | 10/01/2012         | 3.71%                        | 423,000              | 359,550                |
| J Double R, LLC                                       | 10/19/2012         | 3.75%                        | 1,000,000            | 850,000                |
| <b>Total Specialized Livestock</b>                    |                    |                              | <b>\$ 1,423,000</b>  | <b>\$ 1,209,550</b>    |
| <b>Total Agriculture Guarantees during the Period</b> |                    |                              | <b>\$ 2,219,906</b>  | <b>\$ 1,886,920</b>    |

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

### Fiscal Year 2011

| #         | Market Sector                     | Principal Issued        |
|-----------|-----------------------------------|-------------------------|
| 40        | Agriculture - Beginner Farmer     | 7,002,064               |
| 5         | Education                         | 221,290,000             |
| 2         | Gas Supply                        | 100,000,000             |
| 15        | Healthcare - Hospital             | 1,195,055,000           |
| 5         | Healthcare - CCRC                 | 458,705,000             |
| 3         | Industrial Revenue                | 17,329,184              |
| 1         | Financially Distressed Cities     | 1,985,000               |
| 1         | Midwest Disaster Area Bonds       | 20,200,000              |
| 4         | 501(c)(3) Not-for-Profit          | 199,535,000             |
| 8         | Recovery Zone Facilities Bonds    | 211,488,000             |
| 1         | Freight Transfer Facilities Bonds | 150,000,000             |
| <b>85</b> |                                   | <b>\$ 2,582,589,248</b> |

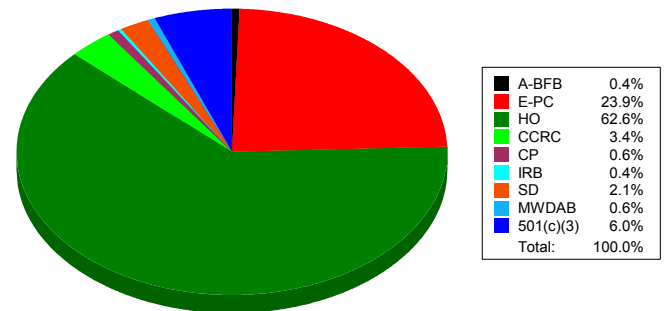
### Bonds Issued in Fiscal Year 2011



### 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> |

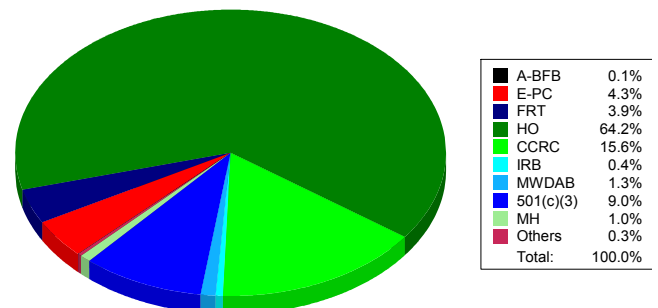
### Bonds Issued in Fiscal Year 2012



### Fiscal Year 2013

| #         | Market Sector                     | Principal Issued        |
|-----------|-----------------------------------|-------------------------|
| 9         | Agriculture - Beginner Farmer     | 2,557,005               |
| 6         | Education                         | 81,560,000              |
| 9         | Healthcare - Hospital             | 1,230,625,000           |
| 3         | Healthcare - CCRC                 | 299,040,068             |
| 2         | Industrial Revenue                | 8,112,280               |
| 3         | Midwest Disaster Area Bonds       | 25,700,000              |
| 9         | 501(c)(3) Not-for-Profit          | 171,844,750             |
| 1         | MultiFamily/Senior Housing        | 18,630,000              |
| 1         | Freight Transfer Facilities Bonds | 75,000,000              |
| <b>43</b> |                                   | <b>\$ 1,913,069,103</b> |

### Bonds Issued in Fiscal Year 2013





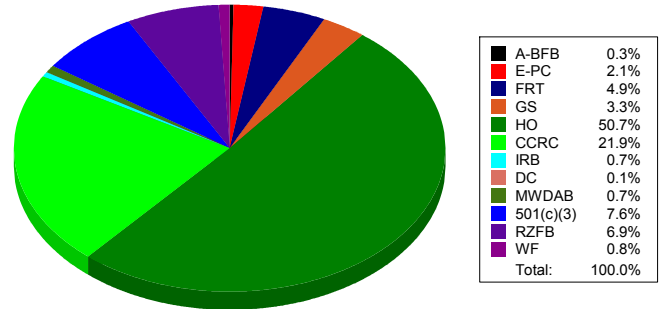


## Bonds Issued - Calendar Year Comparison as of March 31, 2013

### Calendar Year 2011

| #         | Market Sector                 | Principal Issued        |
|-----------|-------------------------------|-------------------------|
| 52        | Agriculture - Beginner Farmer | 7,853,465               |
| 2         | Education                     | 177,390,000             |
| 13        | Healthcare - Hospital         | 1,459,760,000           |
| 2         | Healthcare - CCRC             | 66,765,000              |
| 1         | Industrial Revenue            | 3,795,000               |
| 1         | Local Government Schools      | 42,010,000              |
| 9         | 501(c)(3) Not-for-Profit      | 272,851,846             |
| <b>80</b> |                               | <b>\$ 2,030,425,311</b> |

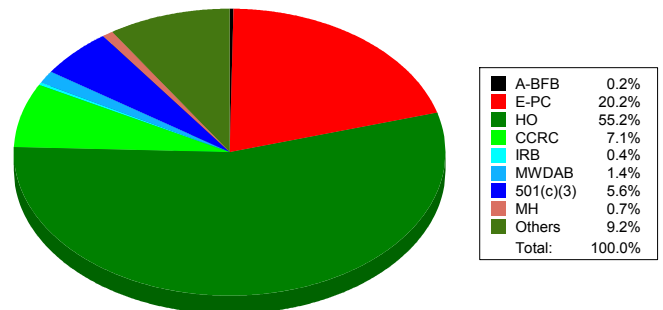
### Bonds Issued in Calendar Year 2011



### Calendar Year 2012

| #         | Market Sector                 | Principal Issued        |
|-----------|-------------------------------|-------------------------|
| 40        | Agriculture - Beginner Farmer | 5,964,724               |
| 6         | Education                     | 536,145,000             |
| 13        | Healthcare - Hospital         | 1,462,043,200           |
| 2         | Healthcare - CCRC             | 187,500,068             |
| 3         | Industrial Revenue            | 11,612,280              |
| 4         | Midwest Disaster Area Bonds   | 36,766,000              |
| 10        | 501(c)(3) Not-for-Profit      | 147,180,000             |
| 1         | MultiFamily/Senior Housing    | 18,630,000              |
| <b>83</b> |                               | <b>\$ 2,648,391,272</b> |

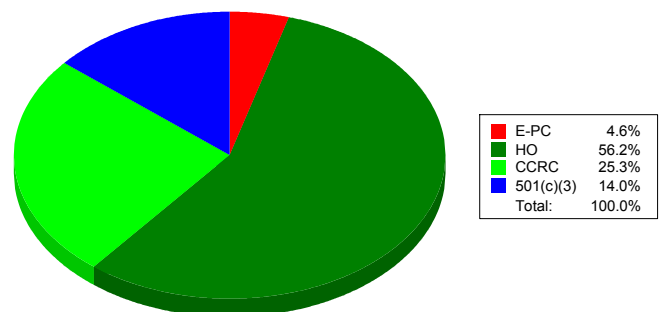
### Bonds Issued in Calendar Year 2012



### Calendar Year 2013

| #         | Market Sector            | Principal Issued      |
|-----------|--------------------------|-----------------------|
| 3         | Education                | 20,100,000            |
| 3         | Healthcare - Hospital    | 248,095,000           |
| 1         | Healthcare - CCRC        | 111,540,000           |
| 5         | 501(c)(3) Not-for-Profit | 61,904,750            |
| <b>12</b> |                          | <b>\$ 441,639,750</b> |

### Bonds Issued in Calendar Year 2013



**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

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

| Section I (a)   | Principal Outstanding  |                          | Program Limitations      | Remaining Capacity       |
|---|--|--------------------------|--------------------------|--------------------------|
|   | June 30, 2012  | March 31, 2013           |                          |                          |
| <b>Illinois Finance Authority "IFA" <sup>[b]</sup></b>              |  |                          |                          |                          |
| 362   | Agriculture  | \$ 52,193,900            | \$ 54,750,900            |                          |
| 92  | Education  | 4,096,631,500            | 4,101,206,100            |                          |
| 262   | Healthcare   | 12,594,858,400           | 13,202,418,000           |                          |
| 69  | Industrial Development [includes Recovery Zone/Midwest Disaster] | 643,150,500              | 725,232,000              |                          |
| 19  | Local Government   | 235,995,000              | 214,135,000              |                          |
| 18  | Multifamily/Senior Housing                                       | 157,841,200              | 174,670,300              |                          |
| 98  | 501(c)(3) Not-for Profits  | 1,244,199,800            | 1,336,274,200            |                          |
| 8   | Exempt Facilities Bonds  | 280,090,000              | 280,020,000              |                          |
| 928   | <b>Total IFA Principal Outstanding</b>                           | <b>\$ 19,304,960,300</b> | <b>\$ 20,088,706,500</b> |                          |
| <b>Illinois Development Finance Authority "IDFA" <sup>[b]</sup></b> |  |                          |                          |                          |
| 2   | Education  | 13,666,400               | 12,911,400               |                          |
| 5   | Healthcare   | 198,620,000              | 191,085,000              |                          |
| 45  | Industrial Development   | 212,338,600              | 183,239,100              |                          |
| 18  | Local Government   | 261,252,100              | 231,999,000              |                          |
| 10  | Multifamily/Senior Housing                                       | 95,496,700               | 92,217,800               |                          |
| 74  | 501(c)(3) Not-for Profits  | 881,344,300              | 782,653,900              |                          |
| 2   | Exempt Facilities Bonds  | 125,000,000              | 125,000,000              |                          |
| 154   | <b>Total IDFA Principal Outstanding</b>                          | <b>\$ 1,787,718,100</b>  | <b>\$ 1,619,106,200</b>  |                          |
| <b>Illinois Rural Bond Bank "IRBB" <sup>[b]</sup></b>               |  |                          |                          |                          |
| 14  | Bond Bank Revenue Bonds  | 16,825,000               | 13,365,000               |                          |
| 14  | <b>Total IRBB Principal Outstanding</b>                          | <b>\$ 16,825,000</b>     | <b>\$ 13,365,000</b>     |                          |
| 60  | Illinois Health Facilities Authority "IHFA"                      | \$ 1,797,621,000         | \$ 1,451,098,000         |                          |
| 43  | Illinois Educational Facilities Authority "IEFA"                 | \$ 1,169,752,000         | \$ 1,034,721,000         |                          |
| 401   | Illinois Farm Development Authority "IFDA" <sup>[f]</sup>        | \$ 27,398,700            | \$ 27,398,700            |                          |
| 1,600   | <b>Total Illinois Finance Authority Debt</b>                     | <b>\$ 24,104,275,100</b> | <b>\$ 24,234,395,400</b> | <b>\$ 28,150,000,000</b> |

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

| Section I (b)   | Principal Outstanding                                     |                       | Program Limitations   | Remaining Capacity    |
|---|---|-----------------------|-----------------------|-----------------------|
|   | June 30, 2012   | March 31, 2013        |                       |                       |
| <b>General Purpose Moral Obligations</b>                |   |                       |                       |                       |
| Illinois Finance Authority Act [20 ILCS 3501/801-40(w)] |   |                       |                       |                       |
| 14  | Issued through IRBB - Local Government Pools              | 16,825,000            | \$ 13,365,000         |                       |
| 7   | Issued through IFA - Local Government Pools               | 25,305,000            | 23,875,000            |                       |
| 2   | Issued through IFA - Illinois Medical District Commission | 39,120,000            | 38,440,000            |                       |
| 23  | <b>Total General Purpose Moral Obligations</b>            | <b>\$ 81,250,000</b>  | <b>\$ 75,680,000</b>  | <b>\$ 150,000,000</b> |
| <b>Financially Distressed Cities Moral Obligations</b>  |   |                       |                       |                       |
| Illinois Finance Authority Act [20 ILCS 3501/825-60]    |   |                       |                       |                       |
| 2   | Issued through IFA  | \$ 3,240,000          | \$ 2,630,000          |                       |
| 1   | Issued through IDFA                                       | 2,430,000             | 1,250,000             |                       |
| 3   | <b>Total Financially Distressed Cities</b>                | <b>\$ 5,670,000</b>   | <b>\$ 3,880,000</b>   | <b>\$ 50,000,000</b>  |
| <b>State Component Unit Bonds <sup>[c]</sup></b>        |   |                       |                       |                       |
| 14  | Issued through IRBB                                       | \$ 16,825,000         | \$ 13,365,000         |                       |
| 2   | Issued through IDFA <sup>[1]</sup>                        | 69,685,000            | 58,665,000            |                       |
| 10  | Issued through IFA <sup>[1]</sup>                         | 111,625,900           | 102,019,700           |                       |
| 26  | <b>Total State Component Unit Bonds</b>                   | <b>\$ 198,135,900</b> | <b>\$ 174,049,700</b> |                       |

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

| Section I (c) | Principal Outstanding                        |                      | Program Limitations  | Remaining Capacity      |
|---------------|--|----------------------|----------------------|-------------------------|
|               | June 30, 2012                                | March 31, 2013       |                      |                         |
| 5             | <b>Midwest Disaster Bonds [Flood Relief]</b> | <b>\$ 30,678,861</b> | <b>\$ 66,376,402</b> | <b>\$ 1,515,271,000</b> |

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

| Section I (d) | ARRA Act of 2009 Volume Cap Allocated <sup>[h]</sup> | City/Counties Ceded Voluntarily to IFA           | Bonds Issued as of March 31, 2013 | Available "Ceded" Volume Cap |
|---------------|--|--|-----------------------------------|------------------------------|
|               | -  | <b>Recovery Zone Economic Development Bonds;</b> | <b>\$ 666,972,000</b>             | <b>\$ 16,940,000</b>         |
| 8             | <b>Recovery Zone Facilities Bonds</b>                | <b>\$ 1,000,457,000</b>                          | <b>\$ 292,400,000</b>             | <b>\$ 215,396,000</b>        |
| -             | <b>Qualified Energy Conservation Bonds</b>           | <b>\$ 133,846,000</b>                            | <b>\$ -</b>                       | <b>\$ 44,370,000</b>         |





## COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY  
COMMITTEE OF THE WHOLE  
REGULAR MEETING  
TUESDAY, MARCH 12, 2013  
9:34 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 March 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 (the “Board”) declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Barclay was recorded as present at the time of 9:37 a.m.

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

March 12, 2013

0 YEAS

0 NAYS

11 PRESENT

P Barclay (ADDED)  
P Bronner  
P Fuentes  
P Goetz  
P Gold

P KNOX (VIA AUDIO CONFERENCE)  
P Leonard  
E O’Brien  
E Parish  
P Pedersen

P Poole  
E Tessler  
P Zeller  
P Mr. Chairman

E – Denotes Excused Absence

## II. Chairman's Remarks

Chairman Brandt discussed the recent article appearing in *Crain's Chicago Business* about the Authority's movement towards reconstituting its venture capital fund. More specifically, Chairman Brandt informed Members of the Committee that despite what the article reported, the Authority's since-divested venture capital fund did in fact make a profit of approximately \$462,000. Chairman Brandt stated that the discrepancy is due to research by *Crain's Chicago Business* only dating back to the early 1990s, not 1984 when the venture capital fund was truly started.

Furthermore, Chairman Brandt reiterated that the mission of the Authority is to foster economic development, create and retain jobs, and improve quality of life for Illinois residents – not to return millions of dollars to the Authority's balance sheet.

Chairman Brandt explained that while the Authority is still drawing up investment criteria to avoid missteps with the new fund, it will not be hiring additional staff or conducting its own analysis. Rather, the Authority will likely be investing alongside local venture-capital firms that are looking for an infusion of cash.

Next, Chairman Brandt informed Members of the Committee that it was recently brought to his attention through his service as a Trustee for Loyola University Chicago that the Dream Act, which allows undocumented students to attend college at the same tuition rate as documented students, does not currently allow undocumented students to attend medical school and utilize federal student aid programs. Moreover, U.S. Senator Dick Durbin (D-IL) expressed awareness of this problem to Chairman Brandt during a recent conversation in which Senator Durbin also stated that undocumented students also face the same dilemma with respect to dental school.

Chairman Brandt outlined possible parameters where the Authority could conceivably assist these undocumented students in securing loans at affordable interest rates to attend medical or dental school. Finally, further research would be needed to decipher if legislation would have to be amended at the state level regarding licensing requirements.

## III. Message from the Executive Director

Executive Director Meister informed Members of the Committee that Governor Pat Quinn had presented his Fiscal Year 2014 budget to the Illinois General Assembly. The Governor presented the General Assembly with a difficult budget, but one that is balanced and designed to grow the Illinois' economy, even as our state faces ongoing budgetary pressures due to inaction on pensions. The Authority strongly supports Governor Quinn's "Balance, Build and Grow" budget.

Executive Director Meister also informed Members of the Committee that the State settled yesterday with the U.S. Securities and Exchange Commission over charges it misled investors from 2005 to 2009 about shortfalls in retirement funds. While the Authority is primarily an issuer of conduit debt, the name of the State of Illinois ultimately affects qualified borrowers that the Authority serves.

The Illinois House Appropriations Committee will hold its hearing on March 13, 2013 for the Authority.

Executive Director Meister introduced Mr. Bailey as the new Acting Chief Financial Officer.

Executive Director Meister was pleased to present a robust agenda for consideration by the Members. Two Local Government issues will advance key projects for the City Of Elgin and Elgin Community

College District Number 509. Also of note, the Countryside Montessori Schools, Inc. project is an excellent illustration of the benefits small borrowers (\$2.5 million) derive when utilizing tax-exempt conduit bonds for their capital needs. Also this month, the Authority anticipates the closing of up to \$160 million in bonds for Franciscan Communities, Inc. This issuance falls under the relatively recent statutory authority to finance eligible non-profit projects across state lines.

Finally, recognizing the leadership of State Senator Mattie Hunter and in partnership with the Chicago Community Loan Fund, the Authority is pleased to present Small Contractor Working Capital Participation Loan Program to provide access to low-cost capital for these businesses in communities across the state. It is the Authority's hope that this program will help remove financial barriers to participation by small and emerging contractors in government construction projects in Illinois.

#### **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 February 12, 2013 or any errors in the Minutes of the regular meeting of the Board held on February 12, 2013.

Member Pedersen moved the adoption of the Minutes of the regular meeting of the Committee held on February 12, 2013.

Vice Chairman Goetz seconded the motion.

The motion prevailed and the Minutes were adopted.

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

##### ***Revenue***

Mr. Bailey, explained that Total Revenue for February 2013 exceeded budget. General fund revenues were \$344,095 against a monthly budget of \$311,140 for a positive variance of \$32,955 (10.6%) above Fiscal Year ("FY") 2013 budget. For February, there were five closings on bond issuances totaling \$202 million – three in the non-healthcare 501(c)(3) sector and two in the healthcare sector generating closing fees of \$373,860. Year-to-Date Total Revenues were \$3,692,425 or 3.6% above the budget of \$3,563,779.

##### ***Expenses***

Total Expenses for February 2013 were \$319,263 or 5.9% higher than the budgeted level of \$301,596 for the general fund. This increase was primarily due to employee related expenses. Year-to-Date Total Expenses ended at \$2,511,615 or 3% above the FY 2013 budget. Comparing Actual Total Expenses FY 2013 to Actual FY 2012, Authority expenses were up by \$26,354 or 9% due to increases in employee related expenses.

With respect to the consolidated statements, expenses for the month were \$487,870 and exceeded the budget by 3.6%. This increase was primarily due to employee related expenses.

### ***Net Income***

February 2013 ended with a Net Income of \$24,832 in the general fund, \$15,288 higher than budget for a 160% favorable variance. This was primarily due to a 20% increase in administration/closing fee revenues over budget. Year-to-Date Net Income was \$1,567,584 or 39% above the FY 2013 budget of \$1,126,494. This increase in income was due to the recovery of bad debt, the transfers received from Venture Capital and the closeout of the Title IX program in previous months.

With respect to the consolidated statements, Net Income for the month was \$66,327 or 46.7% higher than the budgeted level of \$45,204.

### ***Balance Sheet***

The Authority's General Fund Balance Sheet remains strong. As of February 28, 2013, Total Assets were \$50.9 million as compared with \$46.2 million in assets one year ago. Cash and investments were up \$7.7 million from 2012 to 2013.

The consolidated balance sheet as of February 28, 2013 reflects a similar 7.7% increase in Total Assets.

Chairman Brandt asked Executive Director Meister to expand upon Mr. Bailey's presentation. Mr. Meister noted for the Members of the Committee that the Authority has been fortunate to experience a robust first three months of calendar year 2013 and further stated the next three to four months offer promise as well. These factors will allow the Authority to complete the year on or ahead of budget.

Chairman Brandt reminded Members of the Committee that while revenues are significantly lower in comparison to years prior, this year's budget contains no unexpected infusions of cash from unlikely sources.

Executive Director Meister noted that (i) an uptick in interest rates, (ii) state legislation allowing the financing of facilities in multiple states and (iii) overall conduit issuance by the Authority increasing from approximately \$2.0 billion in 2011 to approximately \$2.5 billion as of December 2012 are all good signs for the Authority.

Chairman Brandt expressed his desire to see the economy continue to improve so that Industrial Development Revenue Bonds can return as a more significant source of revenue for the Authority.

## **VI. Committee Reports**

### ***Audit Committee***

Member Bronner informed Members of the Committee that the Compliance Report for Fiscal Year 2012 is being finalized and is expected to be released by the end of March 2013. A draft of the 2012 compliance findings has been received and discussed with the auditors at the exit conference. Responses to the audit recommendations will be finalized over the next week.

Member Bronner indicated many of the findings dealt with monitoring and compliance and engaged fellow Members of the Committee in a conversation concerning anticipated outcomes as a result of Mr. Bailey's addition to the staff.

### *Agriculture Committee*

Member Leonard reported that the Agriculture Committee reviewed three Beginning Farmer Bond projects and one Agri-Debt Guarantee for this month's agenda. The Agriculture Committee recommended approval of the four projects.

### *Healthcare Committee*

Member Barclay deferred to Ms. Lenane, Vice President, who reported that the Healthcare Committee reviewed one project returning for a Final Bond Resolution. The Healthcare Committee recommended approval of the project

### *Venture Capital Committee*

Member Fuentes, Vice Chairman Goetz and Chairman Brandt engaged in a conversation about relaunching the Authority's Venture Capital portfolio. 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.

Executive Director Meister commented that the Authority is also exploring opportunities to leverage resources with the Invest Illinois Venture Fund ("IIVF") - a venture capital program part of *Advantage Illinois* from the Illinois Department of Commerce & Economic Opportunity which seeks to support young, innovative companies and start-ups that show a high potential for future growth resulting in the creation of high-paying professional Illinois jobs.

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

Mr. Senica, Senior Financial Analyst, presented each of the following projects:

### *Agriculture Projects*

Item 1(A): Agenda Item 1(A) is a Beginning Farmer Bond Project. The applicant is requesting approval of a Final Bond Resolution. This financing is being presented for one-time consideration.

Richard and Danielle Bergmann are requesting approval of a Final Bond Resolution in an amount not-to-exceed Ninety-Five Thousand Dollars (\$95,000). Bond proceeds will be used to finance the acquisition of approximately 20 acres of farmland located in Sante Fe Township in Clinton County.

Item 1(B): Agenda Item 1(B) is a Beginning Farmer Bond Project. The applicant is requesting approval of a Final Bond Resolution. This financing is being presented for one-time consideration.

Cyrus M. Hopper is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Seventy-Three Thousand Seven Hundred and Fifty Dollars (\$273,750). Bond proceeds will be used to finance the acquisition of approximately 50 acres of farmland located in Whitley Township in Moultrie County.



Item 1(C): Agenda Item 1(C) is a Beginning Farmer Bond Project. The applicant is requesting approval of a Final Bond Resolution. This financing is being presented for one-time consideration.

Brian Pool is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty Thousand Dollars (\$240,000). Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in Ridgeland Township in Iroquois County.

Members Barclay and Zeller engaged in a conversation concerning the value of land securitizing the Beginning Farmer Bond transactions.

Ms. Shea, Senior Vice President of Acacia Financial Group, Inc., noted that demand for U.S. farmland remains strong, with an Illinois farm selling for \$15,375 an acre yesterday - a record high for a central Illinois county.

Member Leonard described details of a recent purchase of agricultural land he had personal knowledge of.

Chairman Brandt questioned the current market valuation of mineral rights; Member Zeller explained that the valuation of mineral rights varies significantly based on geographic location.

Item 2: Agenda Item 2 is an Agri-Debt Guarantee Project. The applicant is requesting approval of a State Guarantee. This financing is being presented for one-time consideration.

Mildred L. Bastert is requesting approval of a State Guarantee in an amount not-to-exceed 85% of a proposed first mortgage loan of Five Hundred Thousand Dollars (\$500,000). Loan proceeds will refinance an existing First Bankers Trust real estate loan in the amount of Three Hundred Thirteen Thousand One Hundred and Eighty-Two Dollars (\$313,182), a First Bankers Working Capital Loan in the amount of One Hundred Twenty-Eight Thousand Dollars (\$128,000) and a Farm Credit Services Loan of Fifty-Eight Thousand Eight Hundred and Eighteen Dollars (\$58,818). The State of Illinois will guarantee Four Hundred Twenty-Five Thousand Dollars (\$425,000) of the face first mortgage loan amount. This State Guarantee represents Illinois Agricultural Loan Guarantee Funds in the State Treasury at risk.

Mr. Senica, Chairman Brandt and Member Zeller discussed the amortization schedule of the loan in connection with the borrower's age.

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

Item 5: Agenda Item 5 is a request for Local Government Bond financing.

City of Elgin is requesting approval of a Final Bond Resolution in an amount not-to-exceed Five Million Twenty-Five Thousand Dollars (\$5,025,000). This financing is being presented for one-time consideration.

The project will (i) entail the acquisition and installation of a radio communication system and improvements made to the water and sewer systems *and* (ii) pay for certain costs associated with the issuance of the Bonds.

Item 6: Agenda Item 6 is a request for Local Government Bond financing.

Elgin Community College District Number 509 is requesting approval of a Final Bond Resolution in an amount not-to-exceed Ten Million Dollars (\$10,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by Elgin Community College District Number 509 (the “College”, the “District”, or the “Borrower”) to (i) build and equip a Health Careers Center, a Library and a Regional Public Safety Training Facility; build, equip, alter, renovate and repair academic buildings; build and equip additions to community college buildings; purchase and improve land for community college purposes; install technology (the “Project”) and (ii) pay for certain costs associated with the issuance of the Bonds (and together with the Project, the “Financing Purposes”).

Mr. Frampton, Vice President, presented each of the following projects and resolutions:

***Business and Industry Projects***

Item 3: Agenda Item 3 is a request for Gas Supply Revenue Bond financing.

The Peoples Gas Light and Coke Company is requesting approval of a Final Bond Resolution in an amount not-to-exceed Fifty Million Dollars (\$50,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by The Peoples Gas Light and Coke Company (“Peoples Gas” or the “Borrower”) for the purpose of refunding \$50,000,000 aggregate principal amount of the Illinois Development Finance Authority, Gas Supply Refunding Revenue Bonds, Series 2003A (the “Prior Bonds”), the proceeds of which were issued to refund \$50,000,000 aggregate principal amount of the City of Chicago, Illinois, Adjustable-Rate Gas Supply Revenue Bonds, 1985 Series A (the “Original Bonds”) which were issued for the purpose of defraying the cost of certain gas supply facilities, designed as “facilities for the local furnishing of electric energy or gas” within the meaning of Section 103(b)(4)(E) of the Internal Revenue Code of 1954, as amended (the “Prior Project”).

Chairman Brandt explained that he is happy to report market participants appear to more willing to engage minority co-managers on public offerings.

In fact, Mr. Frampton informed Members of the Committee that the Borrower has engaged minority co-managers on every transaction by the Authority since 2003.

Item 4: Agenda Item 4 is a request for Solid Waste Disposal Revenue Bond financing.

Kuusakoski USA LLC and its affiliates are requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Seventeen Million Dollars (\$17,000,000).

Bond proceeds will used by Kuusakoski USA LLC and its affiliates (collectively, “Kuusakoski”, the “Company”, or the “Borrower”) to (i) finance, refinance, and reimburse the Borrower for costs associated with the purchase, renovation, and equipping of two buildings totaling approximately 165,000 square feet located on an approximately

12.25 acre site at 13543 South U.S. Highway 30 in Plainfield, Illinois (the “Project”), (ii) pay capitalized interest during construction and renovation, if deemed necessary or desirable by the Borrower, and (iii) pay bond issuance costs (collectively with the Project, the “Financing Purposes”). The Project will be used as a qualified solid waste facility.

Mr. Frampton explained that bond counsel will determine whether to issue the bonds under the Illinois Environmental Facilities Act or under the Illinois Finance Authority Act upon returning for a Final Bond Resolution before the Board.

Mr. Frampton and Executive Director Meister reiterated that this project’s use of tax-exempt bonds is made possible thanks to new guidance issued by the Internal Revenue Service in 2011.

Chairman Brandt and Executive Director Meister noted that the parent company of the Borrower originates from Finland, similar to the KONE Corporation which utilized Midwestern Disaster Area Revenue Bonds in early 2011.

***Educational, Cultural and Non-Healthcare Projects***

Item 7: Agenda Item 7 is a request for 501(c)(3) Revenue Bond financing.

Northern Illinois University Foundation is requesting approval of a Final Bond Resolution in an amount not-to-exceed Six Million Six Hundred Thousand Dollars (\$6,600,000).

Bond proceeds will be issued on behalf of Northern Illinois University Foundation (“Foundation” or the “Borrower”) and used, together with certain other funds, to (i) finance the costs of the constructing and equipping the Chessick Practice Center Facility at Northern Illinois University (the “University”), which facility will be connected to the Yordon Center at the corner of Stadium Drive East and Stadium Drive North on the University’s campus in DeKalb, Illinois (the “Project”), (ii) pay capitalized interest during the construction period and (ii) pay a portion of the costs of bond issuance (collectively, the “Financing Purposes”).

Mr. Frampton, at the request of Chairman Brandt, explained the difference between the Foundation and the University for the benefit of the Members of the Committee.

Chairman Brandt outlined how charitable associations and alumni associations have become necessary partners to augment capital expansion projects at universities throughout the country.

Furthermore, Executive Director Meister explained that State legislation has been drafted which will provide an exception for not-for-profit entities from the State Procurement Code in connection with their capital expansion projects undertaken in connection with State universities; currently, the State Procurement Code restricts the length of university ground lease agreements which ultimately undermines the ability of not-for-profits and charitable foundations to provide bondholders with sufficient collateral (i.e., leasehold mortgages) for project financings.

***Resolutions***

- Item 12: Resolution Authorizing the Execution and Delivery of a First Amendment to Bond and Loan Agreement Relating to the Illinois Finance Authority Revenue Bonds (Northern Illinois University Foundation Project) Series 2006; Approving Certain Other Documents; and Authorizing and Approving Certain Related Matters

***Educational, Cultural and Non-Healthcare Projects***

- Item 8: Agenda Item 8 is a request for 501(c)(3) Revenue Bond financing.

Countryside Montessori School is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Million Five Hundred Thousand Dollars (\$2,500,000). This financing is being presented for one-time consideration.

Bond proceeds will be loaned to Countryside Montessori Schools, Inc. (the “School” or “Borrower”) for the purpose of providing the Borrower with all or a portion of the funds to (i) refinance existing debt, (ii) finance acquisition of additional property at 1965 Pfingsten Road in Northbrook, Illinois, (iii) finance the construction and rehabilitation of additional classrooms to accommodate 7<sup>th</sup> and 8<sup>th</sup> grade students within the new building and to finance renovations and improvements at the Borrower’s existing campus, the main address of which is located at 1985 Pfingsten Road, Northbrook, Illinois, including, but not limited to connecting the buildings on the Borrower’s campus (collectively, the “Project”), and (iv) pay certain costs incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the “Financing Purposes”).

- Item 9: Agenda Item 9 is a request for 501(c)(3) Revenue Bond financing.

DePaul University is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Forty-Two Million Dollars (\$42,000,000).

The proposed financing will enable DePaul University (the “University” or the “Borrower”) to issue one or more series of Revenue Bonds to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University, Series 2004C), the proceeds of which were used to finance certain educational facilities of the University (the “Financing Purposes”).

- Item 10: Agenda Item 10 is a request for 501(c)(3) Revenue Bond financing.

The University of Chicago is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Four Hundred Million Dollars (\$400,000,000).

Bond proceeds will be combined with other funds to finance all or a portion of the costs of various educational facilities and used by The University of Chicago (the “University” or the “Borrower”) to (i) finance, refinance, or reimburse the Borrower for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement and expansion of certain of its educational facilities, including, without limitation, the construction and equipping of the William Eckhardt Research Center, the renovation, expansion and equipping of the Borrower’s Laboratory Schools, the renovation, construction and equipping of the Borrower’s educational facilities located at 5757 S. University Avenue in Chicago, Illinois, the

planning, design, construction and equipping of a new residence hall, and the acquisition, construction, renovation, improvement and completion of various other administrative, academic, research, infrastructure and campus projects and the equipping of the foregoing, and including related landscaping, signage and other similar improvements (collectively, the “New Projects”), (ii) refund, advance refund or provide for the payment of all or a portion of certain tax-exempt revenue bonds (the “Prior Bonds”), the proceeds of which were used, among other things, to finance, refinance or reimburse the Borrower for certain costs relating to the acquisition, construction, renovation, improvement, expansion and equipping of certain of its educational facilities, including, without limitation, the planning, design, construction, renovation and equipping of the Booth School of Business Harper Center, the Gordon Center for Integrative Science, the Donnelly Biological Sciences Learning Center/Knapp Building, the Knapp Center for Biomedical Discovery and other new research and academic buildings, the renovation, expansion and equipping of Biological Sciences Division, the planning, design, construction and equipping of new residence halls, the renovation and equipping of existing residence halls, the renovation of the Searle Chemistry Building, the renovation and expansion of the law school building, the construction and equipping of a library addition, the expansion and renovation of the steam plant, chillers and other infrastructure improvements, the construction, expansion, renovation and equipping of various administrative and academic buildings and residence halls and the completion of a wide range of other campus improvements, (iii) pay certain working capital expenditures if deemed desirable by the Borrower, (iv) fund one or more debt service reserve funds required to be maintained (if any) in accordance with one or more trust indentures between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee, and (v) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, and certain costs incurred in connection with the refunding, advance refunding or provision for payment of all or a portion of the Prior Bonds, all as permitted under the Act (collectively, the “Financing Purposes”).

### ***Resolutions***

Item 13: Resolution Authorizing the Issuance of Not-To-Exceed \$10,000,000 Aggregate Principal Amount of Adjustable Rate Demand Revenue Bonds (700 Hickory Hills Drive, LLC Project) Series 2013 of the Illinois Finance Authority and Authorizing the Sale Thereof; Authorizing the Execution and Delivery of a Loan Agreement, an Indenture of Trust, a Tax Exemption Certificate and Agreement and Related Documents in Connection with the Bonds, and Approving the Distribution of Related Documents in Connection with the Bonds; and Related Matters

Ms. O’Brien, Financial/Legal Analyst, presented the following project:

### ***Healthcare Projects***

Item 11: Agenda Item 11 is a request for 501(c)(3) Revenue Bond financing.

Three Crowns Park is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Million Dollars (\$4,000,000).

Bond proceeds will be used by Three Crowns Park (the “Corporation” or the “Borrower”) to: (i) pay or reimburse the Borrower or a corporate affiliate for the payment of the costs

of acquiring, constructing, renovating, remodeling and equipping the Borrower's continuing care retirement community, including but not limited to the costs of the renovation, remodeling and equipping of the Corporation's existing 48-bed nursing care facility and all necessary attendant facilities, equipment, site work and utilities, all located on the Borrower's existing campus in Evanston, Illinois (the "Project"); (ii) fund a debt service reserve fund for the benefit of the Bonds; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for credit enhancement or a liquidity facility for the Bonds, if deemed necessary or advisable by the Borrower.

Ms. Omar, Policy & Operations Analyst, presented the following resolution:

***Resolutions***

Item 14: Resolution Authorizing the Illinois Finance 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

**VIII. Other Business**

None.

**IX. Public Comment**

None.

**X. Adjournment**

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

Chairman Brandt 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, MARCH 12, 2013  
10:40 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 March 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: 11 Present.

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

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

March 12, 2013

0 YEAS

0 NAYS

11 PRESENT

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

E – Denotes Excused Absence

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

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

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on March 12, 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 February 12, 2013 and the Financial Statements for the Month Ended February 28, 2013 were taken up for consideration.

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

Vice Chairman Goetz seconded the motion.

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

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

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

See Agenda Item III.

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

Chairman Brandt directed Ms. Lenane to present the projects and resolutions to the Board.

Ms. Lenane presented each of the following projects and resolutions:

### ***Agriculture Projects***

Item 1(A): Agenda Item 1(A) is a Beginning Farmer Bond Project. The applicant is requesting approval of a Final Bond Resolution. This financing is being presented for one-time consideration.

Richard and Danielle Bergmann are requesting approval of a Final Bond Resolution in an amount not-to-exceed Ninety-Five Thousand Dollars (\$95,000). Bond proceeds will be used to finance the acquisition of approximately 20 acres of farmland located in Sante Fe Township in Clinton County.

Item 1(B): Agenda Item 1(B) is a Beginning Farmer Bond Project. The applicant is requesting approval of a Final Bond Resolution. This financing is being presented for one-time consideration.

Cyrus M. Hopper is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Seventy-Three Thousand Seven Hundred and Fifty Dollars (\$273,750). Bond proceeds will be used to finance the acquisition of approximately 50 acres of farmland located in Whitley Township in Moultrie County.



Item 1(C): Agenda Item 1(C) is a Beginning Farmer Bond Project. The applicant is requesting approval of a Final Bond Resolution. This financing is being presented for one-time consideration.

Brian Pool is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Forty Thousand Dollars (\$240,000). Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in Ridgeland Township in Iroquois County.

Item 2: Agenda Item 2 is an Agri-Debt Guarantee Project. The applicant is requesting approval of a State Guarantee. This financing is being presented for one-time consideration.

Mildred L. Bastert is requesting approval of a State Guarantee in an amount not-to-exceed 85% of a proposed first mortgage loan of Five Hundred Thousand Dollars (\$500,000). Loan proceeds will refinance an existing First Bankers Trust real estate loan in the amount of Three Hundred Thirteen Thousand One Hundred and Eighty-Two Dollars (\$313,182), a First Bankers Working Capital Loan in the amount of One Hundred Twenty-Eight Thousand Dollars (\$128,000) and a Farm Credit Services Loan of Fifty-Eight Thousand Eight Hundred and Eighteen Dollars (\$58,818). The State of Illinois will guarantee Four Hundred Twenty-Five Thousand Dollars (\$425,000) of the face first mortgage loan amount. This State Guarantee represents Illinois Agricultural Loan Guarantee Funds in the State Treasury at risk.

***Business and Industry Projects***

Item 4: Agenda Item 4 is a request for Solid Waste Disposal Revenue Bond financing.

Kuusakoski USA LLC and its affiliates are 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 Kuusakoski USA LLC and its affiliates (collectively, “Kuusakoski”, the “Company”, or the “Borrower”) to (i) finance, refinance, and reimburse the Borrower for costs associated with the purchase, renovation, and equipping of two buildings totaling approximately 165,000 square feet located on an approximately 12.25 acre site at 13543 South U.S. Highway 30 in Plainfield, Illinois (the “Project”), (ii) pay capitalized interest during construction and renovation, if deemed necessary or desirable by the Borrower, and (iii) pay bond issuance costs (collectively with the Project, the “Financing Purposes”). The Project will be used as a qualified solid waste facility.

Executive Director Meister recognized and thanked Mr. Joseph Pilewski, who was present on behalf of the project.

***Local Government Projects***

Item 5: Agenda Item 5 is a request for Local Government Bond financing.

City of Elgin is requesting approval of a Final Bond Resolution in an amount not-to-exceed Five Million Twenty-Five Thousand Dollars (\$5,025,000). This financing is being presented for one-time consideration.

The project will (i) entail the acquisition and installation of a radio communication system and improvements made to the water and sewer systems *and* (ii) pay for certain costs associated with the issuance of the Bonds.

Item 6: Agenda Item 6 is a request for Local Government Bond financing.

Elgin Community College District Number 509 is requesting approval of a Final Bond Resolution in an amount not-to-exceed Ten Million Dollars (\$10,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by Elgin Community College District Number 509 (the “College”, the “District”, or the “Borrower”) to (i) build and equip a Health Careers Center, a Library and a Regional Public Safety Training Facility; build, equip, alter, renovate and repair academic buildings; build and equip additions to community college buildings; purchase and improve land for community college purposes; install technology (the “Project”) and (ii) pay for certain costs associated with the issuance of the Bonds (and together with the Project, the “Financing Purposes”).

***Educational, Cultural and Non-Healthcare Projects***

Item 7: Agenda Item 7 is a request for 501(c)(3) Revenue Bond financing.

Northern Illinois University Foundation is requesting approval of a Final Bond Resolution in an amount not-to-exceed Six Million Six Hundred Thousand Dollars (\$6,600,000).

Bond proceeds will be issued on behalf of Northern Illinois University Foundation (“Foundation” or the “Borrower”) and used, together with certain other funds, to (i) finance the costs of the constructing and equipping the Chessick Practice Center Facility at Northern Illinois University (the “University”), which facility will be connected to the Yordon Center at the corner of Stadium Drive East and Stadium Drive North on the University’s campus in DeKalb, Illinois (the “Project”), (ii) pay capitalized interest during the construction period and (ii) pay a portion of the costs of bond issuance (collectively, the “Financing Purposes”).

Item 8: Agenda Item 8 is a request for 501(c)(3) Revenue Bond financing.

Countryside Montessori School is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Million Five Hundred Thousand Dollars (\$2,500,000). This financing is being presented for one-time consideration.

Bond proceeds will be loaned to Countryside Montessori Schools, Inc. (the “School” or “Borrower”) for the purpose of providing the Borrower with all or a portion of the funds to (i) refinance existing debt, (ii) finance acquisition of additional property at 1965 Pfingsten Road in Northbrook, Illinois, (iii) finance the construction and rehabilitation of additional classrooms to accommodate 7<sup>th</sup> and 8<sup>th</sup> grade students within the new building and to finance renovations and improvements at the Borrower’s existing campus, the main address of which is located at 1985 Pfingsten Road, Northbrook, Illinois, including, but not limited to connecting the buildings on the Borrower’s campus (collectively, the “Project”), and (iv) pay certain costs incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the “Financing Purposes”).

***Resolutions***

- Item 12: Resolution Authorizing the Execution and Delivery of a First Amendment to Bond and Loan Agreement Relating to the Illinois Finance Authority Revenue Bonds (Northern Illinois University Foundation Project) Series 2006; Approving Certain Other Documents; and Authorizing and Approving Certain Related Matters
  
- Item 13: Resolution Authorizing the Issuance of Not-To-Exceed \$10,000,000 Aggregate Principal Amount of Adjustable Rate Demand Revenue Bonds (700 Hickory Hills Drive, LLC Project) Series 2013 of the Illinois Finance Authority and Authorizing the Sale Thereof; Authorizing the Execution and Delivery of a Loan Agreement, an Indenture of Trust, a Tax Exemption Certificate and Agreement and Related Documents in Connection with the Bonds, and Approving the Distribution of Related Documents in Connection with the Bonds; and Related Matters
  
- Item 14: Resolution Authorizing the Illinois Finance 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

Chairman Brandt requested leave of the Board to use the last unanimous roll call vote for the adoption of the following projects and resolutions: Items 1A, 1B, 1C, 2, 4, 5, 6, 7, 8, 12, 13 and 14.

Leave was granted.

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

Chairman Brandt then directed Ms. Lenane to present the projects to the Board which may have guests present:

Ms. Lenane presented the following projects:

***Business & Industry Projects***

- Item 3: Agenda Item 3 is a request for Gas Supply Revenue Bond financing.

The Peoples Gas Light and Coke Company is requesting approval of a Final Bond Resolution in an amount not-to-exceed Fifty Million Dollars (\$50,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by The Peoples Gas Light and Coke Company (“Peoples Gas” or the “Borrower”) for the purpose of refunding \$50,000,000 aggregate principal amount of the Illinois Development Finance Authority, Gas Supply Refunding Revenue Bonds, Series 2003A (the “Prior Bonds”), the proceeds of which were issued to refund \$50,000,000 aggregate principal amount of the City of Chicago, Illinois, Adjustable-Rate Gas Supply Revenue Bonds, 1985 Series A (the “Original Bonds”) which were issued for the purpose of defraying the cost of certain gas supply facilities, designed as “facilities for the local furnishing of electric energy or gas” within the meaning of Section 103(b)(4)(E) of the Internal Revenue Code of 1954, as amended (the “Prior Project”).

Chairman Brandt announced that Mr. Tchapo Napoe and Ms. Vicki Langer were present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Napoe and Ms. Langer.

### ***Educational, Cultural and Non-Healthcare Projects***

Item 10: Agenda Item 10 is a request for 501(c)(3) Revenue Bond financing.

The University of Chicago is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Four Hundred Million Dollars (\$400,000,000).

Bond proceeds will be combined with other funds to finance all or a portion of the costs of various educational facilities and used by The University of Chicago (the “University” or the “Borrower”) to (i) finance, refinance, or reimburse the Borrower for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement and expansion of certain of its educational facilities, including, without limitation, the construction and equipping of the William Eckhardt Research Center, the renovation, expansion and equipping of the Borrower’s Laboratory Schools, the renovation, construction and equipping of the Borrower’s educational facilities located at 5757 S. University Avenue in Chicago, Illinois, the planning, design, construction and equipping of a new residence hall, and the acquisition, construction, renovation, improvement and completion of various other administrative, academic, research, infrastructure and campus projects and the equipping of the foregoing, and including related landscaping, signage and other similar improvements (collectively, the “New Projects”), (ii) refund, advance refund or provide for the payment of all or a portion of certain tax-exempt revenue bonds (the “Prior Bonds”), the proceeds of which were used, among other things, to finance, refinance or reimburse the Borrower for certain costs relating to the acquisition, construction, renovation, improvement, expansion and equipping of certain of its educational facilities, including, without limitation, the planning, design, construction, renovation and equipping of the Booth School of Business Harper Center, the Gordon Center for Integrative Science, the Donnelly Biological Sciences Learning Center/Knapp Building, the Knapp Center for Biomedical Discovery and other new research and academic buildings, the renovation, expansion and equipping of Biological Sciences Division, the planning, design, construction and equipping of new residence halls, the renovation and equipping of existing residence halls, the renovation of the Searle Chemistry Building, the renovation and expansion of the law school building, the construction and equipping of a library

addition, the expansion and renovation of the steam plant, chillers and other infrastructure improvements, the construction, expansion, renovation and equipping of various administrative and academic buildings and residence halls and the completion of a wide range of other campus improvements, (iii) pay certain working capital expenditures if deemed desirable by the Borrower, (iv) fund one or more debt service reserve funds required to be maintained (if any) in accordance with one or more trust indentures between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee, and (v) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, and certain costs incurred in connection with the refunding, advance refunding or provision for payment of all or a portion of the Prior Bonds, all as permitted under the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Ms. Lorraine Arvin, Mr. Russell J. Herron and Mr. Cory Sandrock were present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Ms. Arvin, Mr. Herron and Mr. Sandrock.

### ***Healthcare Projects***

Item 11: Agenda Item 11 is a request for 501(c)(3) Revenue Bond financing.

Three Crowns Park is requesting approval of a Final Bond Resolution in an amount not-to-exceed Four Million Dollars (\$4,000,000).

Bond proceeds will be used by Three Crowns Park (the “Corporation” or the “Borrower”) to: (i) pay or reimburse the Borrower or a corporate affiliate for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping the Borrower’s continuing care retirement community, including but not limited to the costs of the renovation, remodeling and equipping of the Corporation’s existing 48-bed nursing care facility and all necessary attendant facilities, equipment, site work and utilities, all located on the Borrower’s existing campus in Evanston, Illinois (the “Project”); (ii) fund a debt service reserve fund for the benefit of the Bonds; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for credit enhancement or a liquidity facility for the Bonds, if deemed necessary or advisable by the Borrower.

Chairman Brandt announced that Ms. Susan Morse was present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Ms. Morse.

Chairman Brandt requested leave of the Board to use the last unanimous roll call vote for the adoption of the following projects: Items 3, 10 and 11.

Leave was granted.

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

***Educational, Cultural and Non-Healthcare Projects***

Item 9: Agenda Item 9 is a request for 501(c)(3) Revenue Bond financing.

DePaul University is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed Forty-Two Million Dollars (\$42,000,000).

The proposed financing will enable DePaul University (the “University” or the “Borrower”) to issue one or more series of Revenue Bonds to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University, Series 2004C), the proceeds of which were used to finance certain educational facilities of the University (the “Financing Purposes”).

Chairman Brandt announced that Mr. Jeff Bethke, Mr. Pete Harris and Mr. Doug Stanford were present and ready to speak on behalf of the project.

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

Chairman Brandt recognized and thanked Mr. Bethke, Mr. Harris and Mr. Stanford.

By direction of the Chairman, a roll call was taken for the adoption of the following project: Item 9.

And on that direction, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Abstain (Gold); 0 Answering Present.

Member Gold desired to be recorded as abstaining from the vote as his employer serves as borrower’s counsel in connection with Item 9.

**VI. Other Business**

None.

**VII. Public Comment**

None.

**VIII. Adjournment**

At the time of 11:04 a.m., Vice Chairman Goetz moved that the Board do now adjourn until April 9, 2013, at 10:30 a.m.

Member Barclay seconded the motion.

The motion prevailed.

And the Board stood adjourned.

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

**Illinois Finance Authority**  
**General Fund - Actual to Budget**  
**Statement of Activities**  
**for Period Ending**  
**March 31, 2013**

|  | Actual<br>March<br>2013 | Budget<br>March<br>2013 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Budget<br>YTD<br>FY 2012 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance | Total<br>Budget<br>FY 2013 | % of<br>Budget<br>Expended |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| <b>REVENUE</b>                         |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| INTEREST ON LOANS                      | 15,348                  | 23,900                  | (8,552)  | -35.78%                  | 167,875                  | 220,299                  | (52,424)                                      | -23.80%              | 269,742                    | 62.24%                     |
| INVESTMENT INTEREST & GAIN(LOSS)       | 3,284                   | 2,083                   | 1,201  | 57.66%                   | 37,940                   | 18,747                   | 19,193  | 102.38%              | 25,000                     | 151.76%                    |
| ADMINISTRATIONS & APPLICATION FEES     | 253,016                 | 236,263                 | 16,753   | 7.09%                    | 3,131,959                | 3,194,319                | (62,360)                                      | -1.95%               | 3,789,504                  | 82.65%                     |
| ANNUAL ISSUANCE & LOAN FEES            | 30,867                  | 32,992                  | (2,125)  | -6.44%                   | 264,940                  | 288,068                  | (23,128)                                      | -8.03%               | 386,222                    | 68.60%                     |
| OTHER INCOME                           | 13,683                  | 17,198                  | (3,515)  | -20.44%                  | 405,910                  | 154,782                  | 251,128                                       | 162.25%              | 206,375                    | 196.69%                    |
| <b>TOTAL REVENUE</b>                   | <b>316,198</b>          | <b>312,436</b>          | <b>3,762</b>                                   | <b>1.20%</b>             | <b>4,008,624</b>         | <b>3,876,215</b>         | <b>132,409</b>                                | <b>3.42%</b>         | <b>4,676,843</b>           | <b>85.71%</b>              |
| <b>EXPENSES</b>                        |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| EMPLOYEE RELATED EXPENSES              |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| COMPENSATION & TAXES                   | 140,351                 | 120,543                 | 19,808   | 16.43%                   | 1,084,248                | 1,102,100                | (17,852)                                      | -1.62%               | 1,462,277                  | 74.15%                     |
| BENEFITS                               | 21,786                  | 20,658                  | 1,128  | 5.46%                    | 190,584                  | 183,922                  | 6,662   | 3.62%                | 244,896                    | 77.82%                     |
| TEMPORARY HELP                         | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| EDUCATION & DEVELOPMENT                | -                       | 500                     | (500)  | -100.00%                 | 595                      | 4,500                    | (3,905)                                       | -86.78%              | 6,000                      | 9.92%                      |
| TRAVEL & AUTO                          | 2,803                   | 5,000                   | (2,197)  | -43.94%                  | 32,176                   | 45,000                   | (12,824)                                      | -28.50%              | 60,000                     | 53.63%                     |
| <b>TOTAL EMPLOYEE RELATED EXPENSES</b> | <b>164,940</b>          | <b>146,701</b>          | <b>18,239</b>                                  | <b>12.43%</b>            | <b>1,307,603</b>         | <b>1,335,522</b>         | <b>(27,919)</b>                               | <b>-2.09%</b>        | <b>1,773,173</b>           | <b>73.74%</b>              |
| PROFESSIONAL SERVICES                  |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| CONSULTING, LEGAL & ADMIN              | 37,873                  | 37,458                  | 415  | 1.11%                    | 429,292                  | 337,122                  | 92,170  | 27.34%               | 449,500                    | 95.50%                     |
| LOAN EXPENSE & BANK FEE                | 7,247                   | 8,750                   | (1,503)  | -17.18%                  | 71,445                   | 78,750                   | (7,305)                                       | -9.28%               | 105,000                    | 68.04%                     |
| ACCOUNTING & AUDITING                  | 24,906                  | 24,754                  | 152  | 0.61%                    | 243,633                  | 222,786                  | 20,847  | 9.36%                | 297,000                    | 82.03%                     |
| MARKETING GENERAL                      | -                       | 1,250                   | (1,250)  | -100.00%                 | 2,457                    | 11,250                   | (8,793)                                       | -78.16%              | 15,000                     | 16.38%                     |
| FINANCIAL ADVISORY                     | 8,333                   | 8,333                   | -  | 0.00%                    | 110,941                  | 74,997                   | 35,944  | 47.93%               | 100,000                    | 110.94%                    |
| CONFERENCE/TRAINING                    | 1,844                   | 2,500                   | (656)  | -26.24%                  | 12,599                   | 22,500                   | (9,901)                                       | -44.00%              | 30,000                     | 42.00%                     |
| MISC. PROFESSIONAL SERVICES            | 6,250                   | 6,250                   | -  | 0.00%                    | 84,921                   | 56,250                   | 28,671  | 50.97%               | 75,000                     | 113.23%                    |
| DATA PROCESSING                        | 6,044                   | 5,833                   | 211  | 3.62%                    | 41,891                   | 52,497                   | (10,606)                                      | -20.20%              | 70,000                     | 59.84%                     |
| <b>TOTAL PROFESSIONAL SERVICES</b>     | <b>92,497</b>           | <b>95,128</b>           | <b>(2,631)</b>                                 | <b>-2.77%</b>            | <b>997,179</b>           | <b>856,152</b>           | <b>141,027</b>                                | <b>16.47%</b>        | <b>1,141,500</b>           | <b>87.36%</b>              |
| OCCUPANCY COSTS                        |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| OFFICE RENT                            | 21,632                  | 22,406                  | (774)  | -3.45%                   | 182,395                  | 201,654                  | (19,259)                                      | -9.55%               | 268,872                    | 67.84%                     |
| EQUIPMENT RENTAL AND PURCHASES         | 1,392                   | 1,333                   | 59   | 4.43%                    | 10,768                   | 11,997                   | (1,229)                                       | -10.24%              | 16,000                     | 67.30%                     |
| TELECOMMUNICATIONS                     | 2,607                   | 2,917                   | (310)  | -10.63%                  | 25,211                   | 26,253                   | (1,042)                                       | -3.97%               | 35,000                     | 72.03%                     |
| UTILITIES                              | 980                     | 1,000                   | (20)   | -2.00%                   | 8,479                    | 9,000                    | (521)   | -5.79%               | 12,000                     | 70.66%                     |
| DEPRECIATION                           | 4,063                   | 2,708                   | 1,355  | 50.04%                   | 36,263                   | 24,372                   | 11,891  | 48.79%               | 32,500                     | 111.58%                    |
| INSURANCE                              | 504                     | 2,083                   | (1,579)  | -75.82%                  | 14,675                   | 18,747                   | (4,072)                                       | -21.72%              | 25,000                     | 58.70%                     |
| <b>TOTAL OCCUPANCY COSTS</b>           | <b>31,178</b>           | <b>32,447</b>           | <b>(1,269)</b>                                 | <b>-3.91%</b>            | <b>277,791</b>           | <b>292,023</b>           | <b>(14,232)</b>                               | <b>-4.87%</b>        | <b>389,372</b>             | <b>71.34%</b>              |



**Illinois Finance Authority  
General Fund - Actual to Budget  
Statement of Activities  
for Period Ending  
March 31, 2013**

|  | Actual<br>March<br>2013 | Budget<br>March<br>2013 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Budget<br>YTD<br>FY 2012 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance | Total<br>Budget<br>FY 2013 | % of<br>Budget<br>Expended |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| GENERAL & ADMINISTRATION                                       |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| OFFICE SUPPLIES  | 3,041                   | 2,983                   | 58   | 1.94%                    | 29,822                   | 26,847                   | 2,975   | 11.08%               | 35,800                     | 83.30%                     |
| BOARD MEETING - EXPENSES                                       | 2,328                   | 2,917                   | (589)  | -20.19%                  | 21,665                   | 26,253                   | (4,588)                                       | -17.48%              | 35,000                     | 61.90%                     |
| PRINTING   | 1,679                   | 833                     | 846  | 101.56%                  | 6,021                    | 7,497                    | (1,476)                                       | -19.69%              | 10,000                     | 60.21%                     |
| POSTAGE & FREIGHT  | 1,220                   | 1,250                   | (30)   | -2.40%                   | 11,922                   | 11,250                   | 672   | 5.97%                | 15,000                     | 79.48%                     |
| MEMBERSHIP, DUES & CONTRIBUTIONS                               | 315                     | 2,000                   | (1,685)  | -84.25%                  | 23,998                   | 28,000                   | (4,002)                                       | -14.29%              | 34,000                     | 70.58%                     |
| PUBLICATIONS   | 31                      | 583                     | (552)  | -94.68%                  | 757                      | 5,247                    | (4,490)                                       | -85.57%              | 7,000                      | 10.81%                     |
| OFFICERS & DIRECTORS INSURANCE                                 | 17,969                  | 16,667                  | 1,302  | 7.81%                    | 150,057                  | 150,003                  | 54  | 0.04%                | 200,000                    | 75.03%                     |
| MISCELLANEOUS  | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| <b>TOTAL GENL &amp; ADMIN EXPENSES</b>                         | <b>26,583</b>           | <b>27,233</b>           | <b>(650)</b>                                   | <b>-2.39%</b>            | <b>244,242</b>           | <b>255,097</b>           | <b>(10,855)</b>                               | <b>-4.26%</b>        | <b>336,800</b>             | <b>72.52%</b>              |
| LOAN LOSS PROVISION/BAD DEBT                                   | -                       | -                       | -  | -                        | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| OTHER  |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| INTEREST EXPENSE   | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| <b>TOTAL OTHER</b>   | <b>-</b>                | <b>-</b>                | <b>-</b>                                       | <b>0.00%</b>             | <b>-</b>                 | <b>-</b>                 | <b>-</b>                                      | <b>0.00%</b>         | <b>-</b>                   | <b>0.00%</b>               |
| <b>TOTAL EXPENSES</b>  | <b>315,198</b>          | <b>301,509</b>          | <b>13,689</b>                                  | <b>4.54%</b>             | <b>2,826,815</b>         | <b>2,738,794</b>         | <b>88,021</b>                                 | <b>3.21%</b>         | <b>3,640,845</b>           | <b>77.64%</b>              |
| NET INCOME (LOSS) BEFORE<br>UNREALIZED GAIN/(LOSS) & TRANSFERS | 1,000                   | 10,927                  | (9,927)  | -90.84%                  | 1,181,809                | 1,137,421                | 44,388  | 3.90%                | 1,035,998                  | 114.07%                    |
| NET UNREALIZED GAIN/(LOSS)<br>ON INVESTMENT                    | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| TRANSFER   | -                       | -                       | -  | 0.00%                    | 386,774                  | -                        | 386,774                                       | 0.00%                | -                          | 0.00%                      |
| REVENUE GRANT  | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| APPROPRIATIONS FROM STATE                                      | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | -                          |
| <b>NET INCOME/(LOSS)</b>                                       | <b>1,000</b>            | <b>10,927</b>           | <b>(9,927)</b>                                 | <b>-90.84%</b>           | <b>1,568,583</b>         | <b>1,137,421</b>         | <b>431,162</b>                                | <b>37.91%</b>        | <b>1,035,998</b>           | <b>151.41%</b>             |

**Illinois Finance Authority**  
**General Fund - Actual to Actual**  
**Statement of Activities**  
**for Period Ending March 31, 2013**

|  | Actual<br>March<br>2013 | Actual<br>March<br>2012 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Actual<br>YTD<br>FY 2012 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| <b>REVENUE</b>                         |                         |                         |  |                          |                          |                          |   |                      |
| INTEREST ON LOANS                      | 15,348                  | 27,710                  | (12,362)                                       | -44.61%                  | 167,875                  | 339,269                  | (171,394)                                     | -50.52%              |
| INVESTMENT INTEREST & GAIN(LOSS)       | 3,284                   | 3,767                   | (483)  | -12.82%                  | 37,940                   | 26,632                   | 11,308  | 42.46%               |
| ADMINISTRATIONS & APPLICATION FEES     | 253,016                 | 106,694                 | 146,322  | 137.14%                  | 3,131,959                | 1,942,415                | 1,189,544                                     | 61.24%               |
| ANNUAL ISSUANCE & LOAN FEES            | 30,867                  | 38,845                  | (7,978)  | -20.54%                  | 264,940                  | 354,500                  | (89,560)                                      | -25.26%              |
| OTHER INCOME                           | 13,683                  | 115,322                 | (101,639)                                      | -88.13%                  | 405,910                  | 1,366,756                | (960,846)                                     | -70.30%              |
| <b>TOTAL REVENUE</b>                   | <b>316,198</b>          | <b>292,338</b>          | <b>23,860</b>                                  | <b>8.16%</b>             | <b>4,008,624</b>         | <b>4,029,572</b>         | <b>(20,948)</b>                               | <b>-0.52%</b>        |
| <b>EXPENSES</b>                        |                         |                         |  |                          |                          |                          |   |                      |
| <b>EMPLOYEE RELATED EXPENSES</b>       |                         |                         |  |                          |                          |                          |   |                      |
| COMPENSATION & TAXES                   | 140,351                 | 121,057                 | 19,294   | 15.94%                   | 1,084,248                | 1,145,727                | (61,479)                                      | -5.37%               |
| BENEFITS                               | 21,786                  | 21,669                  | 117  | 0.54%                    | 190,584                  | 184,885                  | 5,699   | 3.08%                |
| TEMPORARY HELP                         | -                       | -                       | -  | 0.00%                    | -                        | 778                      | (778)   | 0.00%                |
| EDUCATION & DEVELOPMENT                | -                       | 263                     | (263)  | 0.00%                    | 595                      | 413                      | 182   | 44.07%               |
| TRAVEL & AUTO                          | 2,803                   | 5,056                   | (2,253)  | -44.56%                  | 32,176                   | 35,519                   | (3,343)                                       | -9.41%               |
| <b>TOTAL EMPLOYEE RELATED EXPENSES</b> | <b>164,940</b>          | <b>148,045</b>          | <b>16,895</b>                                  | <b>11.41%</b>            | <b>1,307,603</b>         | <b>1,367,322</b>         | <b>(59,719)</b>                               | <b>-4.37%</b>        |
| <b>PROFESSIONAL SERVICES</b>           |                         |                         |  |                          |                          |                          |   |                      |
| CONSULTING, LEGAL & ADMIN              | 37,873                  | 119,883                 | (82,010)                                       | -68.41%                  | 429,292                  | 397,768                  | 31,524  | 7.93%                |
| LOAN EXPENSE & BANK FEE                | 7,247                   | 8,549                   | (1,302)  | -15.23%                  | 71,445                   | 148,269                  | (76,824)                                      | -51.81%              |
| ACCOUNTING & AUDITING                  | 24,906                  | 20,780                  | 4,126  | 19.86%                   | 243,633                  | 202,374                  | 41,259  | 20.39%               |
| MARKETING GENERAL                      | -                       | 68                      | (68)   | -100.00%                 | 2,457                    | 4,845                    | (2,388)                                       | -49.29%              |
| FINANCIAL ADVISORY                     | 8,333                   | 5,000                   | 3,333  | 66.66%                   | 110,941                  | 56,185                   | 54,756  | 97.46%               |
| CONFERENCE/TRAINING                    | 1,844                   | 3,508                   | (1,664)  | -47.43%                  | 12,599                   | 20,005                   | (7,406)                                       | -37.02%              |
| MISC. PROFESSIONAL SERVICES            | 6,250                   | 5,000                   | 1,250  | 25.00%                   | 84,921                   | 15,013                   | 69,908  | 465.65%              |
| DATA PROCESSING                        | 6,044                   | 4,260                   | 1,784  | 41.88%                   | 41,891                   | 31,725                   | 10,166  | 32.04%               |
| <b>TOTAL PROFESSIONAL SERVICES</b>     | <b>92,497</b>           | <b>167,048</b>          | <b>(74,551)</b>                                | <b>-44.63%</b>           | <b>997,179</b>           | <b>876,184</b>           | <b>120,995</b>                                | <b>13.81%</b>        |
| <b>OCCUPANCY COSTS</b>                 |                         |                         |  |                          |                          |                          |   |                      |
| OFFICE RENT                            | 21,632                  | 21,603                  | 29   | 0.13%                    | 182,395                  | 185,230                  | (2,835)                                       | -1.53%               |
| EQUIPMENT RENTAL AND PURCHASES         | 1,392                   | 1,322                   | 70   | 5.30%                    | 10,768                   | 13,625                   | (2,857)                                       | -20.97%              |
| TELECOMMUNICATIONS                     | 2,607                   | 2,949                   | (342)  | -11.60%                  | 25,211                   | 23,405                   | 1,806   | 7.72%                |
| UTILITIES                              | 980                     | 955                     | 25   | 2.62%                    | 8,479                    | 9,366                    | (887)   | -9.47%               |
| DEPRECIATION                           | 4,063                   | 4,038                   | 25   | 0.62%                    | 36,263                   | 32,915                   | 3,348   | 10.17%               |
| INSURANCE                              | 504                     | 1,948                   | (1,444)  | -74.15%                  | 14,675                   | 17,508                   | (2,833)                                       | -16.18%              |
| <b>TOTAL OCCUPANCY COSTS</b>           | <b>31,178</b>           | <b>32,815</b>           | <b>(1,637)</b>                                 | <b>-4.99%</b>            | <b>277,791</b>           | <b>282,049</b>           | <b>(4,258)</b>                                | <b>-1.51%</b>        |

**Illinois Finance Authority  
General Fund - Actual to Actual  
Statement of Activities  
for Period Ending March 31, 2013**

|  | Actual<br>March<br>2013 | Actual<br>March<br>2012 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Actual<br>YTD<br>FY 2012 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| GENERAL & ADMINISTRATION                                       |                         |                         |  |                          |                          |                          |   |                      |
| OFFICE SUPPLIES  | 3,041                   | 3,106                   | (65)   | -2.09%                   | 29,822                   | 27,143                   | 2,679   | 9.87%                |
| BOARD MEETING - EXPENSES                                       | 2,328                   | 2,294                   | 34   | 1.48%                    | 21,665                   | 20,533                   | 1,132   | 5.51%                |
| PRINTING   | 1,679                   | 492                     | 1,187  | 241.26%                  | 6,021                    | 5,206                    | 815   | 15.66%               |
| POSTAGE & FREIGHT  | 1,220                   | 1,217                   | 3  | 0.25%                    | 11,922                   | 10,538                   | 1,384   | 13.13%               |
| MEMBERSHIP, DUES & CONTRIBUTIONS                               | 315                     | 50                      | 265  | 530.00%                  | 23,998                   | 31,566                   | (7,568)                                       | -23.98%              |
| PUBLICATIONS   | 31                      | 87                      | (56)   | -64.37%                  | 757                      | 1,324                    | (567)   | -42.82%              |
| OFFICERS & DIRECTORS INSURANCE                                 | 17,969                  | 15,343                  | 2,626  | 17.12%                   | 150,057                  | 138,089                  | 11,968  | 8.67%                |
| MISCELLANEOUS  | -                       | 400                     | (400)  | 0.00%                    | -                        | 400                      | (400)   | 0.00%                |
| <b>TOTAL GENL &amp; ADMIN EXPENSES</b>                         | <b>26,583</b>           | <b>22,989</b>           | <b>3,594</b>                                   | <b>15.63%</b>            | <b>244,242</b>           | <b>234,799</b>           | <b>9,443</b>                                  | <b>4.02%</b>         |
| LOAN LOSS PROVISION/BAD DEBT                                   | -                       | -                       | -  | -                        | -                        | -                        | -   | 0.00%                |
| OTHER  |                         |                         |  |                          |                          |                          |   |                      |
| INTEREST EXPENSE   | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                |
| <b>TOTAL OTHER</b>   | <b>-</b>                | <b>-</b>                | <b>-</b>                                       | <b>0.00%</b>             | <b>-</b>                 | <b>-</b>                 | <b>-</b>                                      | <b>0.00%</b>         |
| <b>TOTAL EXPENSES</b>  | <b>315,198</b>          | <b>370,897</b>          | <b>(55,699)</b>                                | <b>-15.02%</b>           | <b>2,826,815</b>         | <b>2,760,354</b>         | <b>66,461</b>                                 | <b>2.41%</b>         |
| NET INCOME (LOSS) BEFORE<br>UNREALIZED GAIN/(LOSS) & TRANSFERS | 1,000                   | (78,559)                | 79,559   | -101.27%                 | 1,181,809                | 1,269,218                | (87,409)                                      | -6.89%               |
| NET UNREALIZED GAIN/(LOSS)<br>ON INVESTMENT                    | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                |
| TRANSFER   | -                       | -                       | -  | 0.00%                    | 386,774                  | 177,989                  | 208,785                                       | 0.00%                |
| REVENUE GRANT  | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                |
| APPROPRIATIONS FROM STATE                                      | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                |
| <b>NET INCOME/(LOSS)</b>                                       | <b>1,000</b>            | <b>(78,559)</b>         | <b>79,559</b>                                  | <b>-101.27%</b>          | <b>1,568,583</b>         | <b>1,447,207</b>         | <b>121,376</b>                                | <b>8.39%</b>         |

**Illinois Finance Authority  
General Fund  
Unaudited  
Balance Sheet  
for the Nine Months Ending March 31, 2013**

|   | <u>Actual<br/>March<br/>2013</u> | <u>Actual<br/>March<br/>2012</u> |
|---|----------------------------------|----------------------------------|
| <b>ASSETS</b>                                     |                                  |                                  |
| CASH & INVESTMENTS, UNRESTRICTED                  | \$ 44,430,689                    | \$ 37,336,940                    |
| RECEIVABLES, NET                                  | 57,097                           | 49,290                           |
| LOAN RECEIVABLE, NET                              | 4,988,979                        | 7,456,343                        |
| OTHER RECEIVABLES                                 | 27,241                           | 38,523                           |
| PREPAID EXPENSES                                  | <u>98,213</u>                    | <u>74,478</u>                    |
| <br>TOTAL CURRENT ASSETS                          | <br>49,602,219                   | <br>44,955,574                   |
| <br>FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION | <br>122,070                      | <br>119,888                      |
| <br>DEFERRED ISSUANCE COSTS                       | <br>214,310                      | <br>259,291                      |
| <b>OTHER ASSETS</b>                               |                                  |                                  |
| CASH RESTRICTED, INVESTMENTS & RESERVES           | 875,523                          | 874,739                          |
| VENTURE CAPITAL INVESTMENTS                       | -                                | -                                |
| OTHER   | <u>(573)</u>                     | <u>(15,568)</u>                  |
| <br>TOTAL OTHER ASSETS                            | <br>874,950                      | <br>859,171                      |
| <br>TOTAL ASSETS                                  | <br><u>\$ 50,813,549</u>         | <br><u>\$ 46,193,924</u>         |
| <br><b>LIABILITIES</b>                            |                                  |                                  |
| CURRENT LIABILITIES                               | \$ 1,250,229                     | \$ 780,908                       |
| LONG-TERM LIABILITIES                             | <u>271,141</u>                   | <u>381,484</u>                   |
| <br>TOTAL LIABILITIES                             | <br>1,521,370                    | <br>1,162,392                    |
| <b>EQUITY</b>                                     |                                  |                                  |
| CONTRIBUTED CAPITAL                               | 4,111,479                        | 4,111,479                        |
| RETAINED EARNINGS                                 | 31,640,819                       | 27,501,548                       |
| NET INCOME / (LOSS)                               | 1,568,583                        | 1,447,207                        |
| RESERVED/RESTRICTED FUND BALANCE                  | 1,732,164                        | 1,732,164                        |
| UNRESERVED FUND BALANCE                           | <u>10,239,134</u>                | <u>10,239,134</u>                |
| <br>TOTAL EQUITY                                  | <br>49,292,179                   | <br>45,031,532                   |
| <br>TOTAL LIABILITIES & EQUITY                    | <br><u>\$ 50,813,549</u>         | <br><u>\$ 46,193,924</u>         |

**Illinois Finance Authority**  
**Consolidated - Actual to Budget**  
**Statement of Activities**  
**for Period Ending**  
**March 31, 2013**

|  | Actual<br>March<br>2013 | Budget<br>March<br>2013 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Budget<br>YTD<br>FY 2013 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance | Total<br>Budget<br>FY 2013 | % of<br>Budget<br>Expended |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| <b>REVENUE</b>                         |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| INTEREST ON LOANS                      | 153,661                 | 160,433                 | (6,772)  | -4.22%                   | 1,413,034                | 1,466,312                | (53,278)                                      | -3.63%               | 1,931,461                  | 73.16%                     |
| INVESTMENT INTEREST & GAIN(LOSS)       | 92,724                  | 45,404                  | 47,320   | 104.22%                  | 657,825                  | 407,136                  | 250,689                                       | 61.57%               | 543,350                    | 121.07%                    |
| ADMINISTRATIONS & APPLICATION FEES     | 253,016                 | 236,263                 | 16,753   | 7.09%                    | 3,131,959                | 3,194,319                | (62,360)                                      | -1.95%               | 3,789,504                  | 82.65%                     |
| ANNUAL ISSUANCE & LOAN FEES            | 30,867                  | 32,992                  | (2,125)  | -6.44%                   | 264,940                  | 288,068                  | (23,128)                                      | -8.03%               | 386,222                    | 68.60%                     |
| OTHER INCOME                           | 18,155                  | 42,198                  | (24,043)                                       | -56.98%                  | 706,989                  | 379,782                  | 327,207                                       | 86.16%               | 506,375                    | 139.62%                    |
| <b>TOTAL REVENUE</b>                   | <b>548,423</b>          | <b>517,290</b>          | <b>31,133</b>                                  | <b>6.02%</b>             | <b>6,174,747</b>         | <b>5,735,617</b>         | <b>439,130</b>                                | <b>7.66%</b>         | <b>7,156,912</b>           | <b>86.28%</b>              |
| <b>EXPENSES</b>                        |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| <b>EMPLOYEE RELATED EXPENSES</b>       |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| COMPENSATION & TAXES                   | 140,351                 | 120,543                 | 19,808   | 16.43%                   | 1,084,248                | 1,102,100                | (17,852)                                      | -1.62%               | 1,462,277                  | 74.15%                     |
| BENEFITS                               | 21,786                  | 20,658                  | 1,128  | 5.46%                    | 190,584                  | 183,922                  | 6,662   | 3.62%                | 244,896                    | 77.82%                     |
| TEMPORARY HELP                         | -                       | 500                     | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| EDUCATION & DEVELOPMENT                | -                       | 500                     | (500)  | -100.00%                 | 595                      | 4,500                    | (3,905)                                       | -86.78%              | 6,000                      | 9.92%                      |
| TRAVEL & AUTO                          | 2,803                   | 5,000                   | (2,197)  | -43.94%                  | 32,176                   | 45,000                   | (12,824)                                      | -28.50%              | 60,000                     | 53.63%                     |
| <b>TOTAL EMPLOYEE RELATED EXPENSES</b> | <b>164,940</b>          | <b>146,701</b>          | <b>18,239</b>                                  | <b>12.43%</b>            | <b>1,307,603</b>         | <b>1,335,522</b>         | <b>(27,919)</b>                               | <b>-2.09%</b>        | <b>1,773,173</b>           | <b>73.74%</b>              |
| <b>PROFESSIONAL SERVICES</b>           |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| CONSULTING, LEGAL & ADMIN              | 39,956                  | 39,542                  | 414  | 1.05%                    | 448,039                  | 355,878                  | 92,161  | 25.90%               | 474,500                    | 94.42%                     |
| LOAN EXPENSE & BANK FEE                | 168,733                 | 170,236                 | (1,503)  | -0.88%                   | 1,523,885                | 1,532,124                | (8,239)                                       | -0.54%               | 2,042,832                  | 74.60%                     |
| ACCOUNTING & AUDITING                  | 26,205                  | 26,653                  | (448)  | -1.68%                   | 255,325                  | 239,877                  | 15,448  | 6.44%                | 319,791                    | 79.84%                     |
| MARKETING GENERAL                      | -                       | 1,250                   | (1,250)  | -100.00%                 | 2,457                    | 11,250                   | (8,793)                                       | -78.16%              | 15,000                     | 16.38%                     |
| FINANCIAL ADVISORY                     | 8,333                   | 8,333                   | -  | 0.00%                    | 110,941                  | 74,997                   | 35,944  | 47.93%               | 100,000                    | 110.94%                    |
| CONFERENCE/TRAINING                    | 1,844                   | 2,500                   | (656)  | -26.24%                  | 12,599                   | 22,500                   | (9,901)                                       | -44.00%              | 30,000                     | 42.00%                     |
| MISC. PROFESSIONAL SERVICES            | 9,584                   | 9,583                   | 1  | 0.01%                    | 114,919                  | 86,247                   | 28,672  | 33.24%               | 115,000                    | 99.93%                     |
| DATA PROCESSING                        | 6,044                   | 5,833                   | 211  | 3.62%                    | 41,890                   | 52,497                   | (10,607)                                      | -20.20%              | 70,000                     | 59.84%                     |
| <b>TOTAL PROFESSIONAL SERVICES</b>     | <b>260,699</b>          | <b>263,930</b>          | <b>(3,231)</b>                                 | <b>-1.22%</b>            | <b>2,510,055</b>         | <b>2,375,370</b>         | <b>134,685</b>                                | <b>5.67%</b>         | <b>3,167,123</b>           | <b>79.25%</b>              |
| <b>OCCUPANCY COSTS</b>                 |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| OFFICE RENT                            | 21,632                  | 22,406                  | (774)  | -3.45%                   | 182,395                  | 201,654                  | (19,259)                                      | -9.55%               | 268,872                    | 67.84%                     |
| EQUIPMENT RENTAL AND PURCHASES         | 1,392                   | 1,333                   | 59   | 4.43%                    | 10,768                   | 11,997                   | (1,229)                                       | -10.24%              | 16,000                     | 67.30%                     |
| TELECOMMUNICATIONS                     | 2,607                   | 2,917                   | (310)  | -10.63%                  | 25,211                   | 26,253                   | (1,042)                                       | -3.97%               | 35,000                     | 72.03%                     |
| UTILITIES                              | 980                     | 1,000                   | (20)   | -2.00%                   | 8,479                    | 9,000                    | (521)   | -5.79%               | 12,000                     | 70.66%                     |
| DEPRECIATION                           | 4,063                   | 2,708                   | 1,355  | 50.04%                   | 36,263                   | 24,372                   | 11,891  | 48.79%               | 32,500                     | 111.58%                    |
| INSURANCE                              | 504                     | 2,083                   | (1,579)  | -75.80%                  | 14,675                   | 18,747                   | (4,072)                                       | -21.72%              | 25,000                     | 58.70%                     |
| <b>TOTAL OCCUPANCY COSTS</b>           | <b>31,178</b>           | <b>32,447</b>           | <b>(1,269)</b>                                 | <b>-3.91%</b>            | <b>277,791</b>           | <b>292,023</b>           | <b>(14,232)</b>                               | <b>-4.87%</b>        | <b>389,372</b>             | <b>71.34%</b>              |

**Illinois Finance Authority  
Consolidated - Actual to Budget  
Statement of Activities  
for Period Ending  
March 31, 2013**

|  | Actual<br>March<br>2013 | Budget<br>March<br>2013 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Budget<br>YTD<br>FY 2013 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance | Total<br>Budget<br>FY 2013 | % of<br>Budget<br>Expended |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|----------------------------|----------------------------|
| GENERAL & ADMINISTRATION                                       |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| OFFICE SUPPLIES  | 3,041                   | 2,983                   | 58   | 1.94%                    | 29,822                   | 26,847                   | 2,975   | 11.08%               | 35,800                     | 83.30%                     |
| BOARD MEETING - EXPENSES                                       | 2,328                   | 2,917                   | (589)  | -20.19%                  | 21,665                   | 26,253                   | (4,588)                                       | -17.48%              | 35,000                     | 61.90%                     |
| PRINTING   | 1,679                   | 833                     | 846  | 101.56%                  | 6,021                    | 7,497                    | (1,476)                                       | -19.69%              | 10,000                     | 60.21%                     |
| POSTAGE & FREIGHT  | 1,220                   | 1,250                   | (30)   | -2.40%                   | 11,922                   | 11,250                   | 672   | 5.97%                | 15,000                     | 79.48%                     |
| MEMBERSHIP, DUES & CONTRIBUTIONS                               | 315                     | 2,000                   | (1,685)  | -84.25%                  | 23,997                   | 28,000                   | (4,003)                                       | -14.30%              | 34,000                     | 70.58%                     |
| PUBLICATIONS   | 31                      | 583                     | (552)  | -94.68%                  | 757                      | 5,247                    | (4,490)                                       | -85.57%              | 7,000                      | 10.81%                     |
| OFFICERS & DIRECTORS INSURANCE                                 | 17,969                  | 16,667                  | 1,302  | 7.81%                    | 150,057                  | 150,003                  | 54  | 0.04%                | 200,000                    | 75.03%                     |
| MISCELLANEOUS  | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| <b>TOTAL GENL &amp; ADMIN EXPENSES</b>                         | <b>26,583</b>           | <b>27,233</b>           | <b>(650)</b>                                   | <b>-2.39%</b>            | <b>244,241</b>           | <b>255,097</b>           | <b>(10,856)</b>                               | <b>-4.26%</b>        | <b>336,800</b>             | <b>72.52%</b>              |
| LOAN LOSS PROVISION/BAD DEBT                                   | -                       | -                       | -  | -                        | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| OTHER  |                         |                         |  |                          |                          |                          |   |                      |                            |                            |
| INTEREST EXPENSE   | 406                     | 406                     | -  | 0.00%                    | 4,400                    | 3,948                    | 452   | 11.45%               | 5,166                      | 85.17%                     |
| <b>TOTAL OTHER</b>   | <b>406</b>              | <b>406</b>              | <b>-</b>                                       | <b>0.00%</b>             | <b>4,400</b>             | <b>3,948</b>             | <b>452</b>                                    | <b>11.45%</b>        | <b>5,166</b>               | <b>0.00%</b>               |
| <b>TOTAL EXPENSES</b>  | <b>483,806</b>          | <b>470,717</b>          | <b>13,089</b>                                  | <b>2.78%</b>             | <b>4,344,090</b>         | <b>4,261,960</b>         | <b>82,130</b>                                 | <b>1.93%</b>         | <b>5,671,634</b>           | <b>76.59%</b>              |
| NET INCOME (LOSS) BEFORE<br>UNREALIZED GAIN/(LOSS) & TRANSFERS | 64,617                  | 46,573                  | 18,044   | 38.74%                   | 1,830,657                | 1,473,657                | 357,000                                       | 24.23%               | 1,485,278                  | 123.25%                    |
| NET UNREALIZED GAIN/(LOSS)<br>ON INVESTMENT                    | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| TRANSFER   | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | 0.00%                      |
| REVENUE GRANT  | -                       | -                       | -  | 0.00%                    | 841,399                  | -                        | 841,399                                       | 0.00%                | -                          | 0.00%                      |
| TRANSFER FROM STATE  | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | 0.00%                | -                          | -                          |
| <b>NET INCOME/(LOSS)</b>                                       | <b>64,617</b>           | <b>46,573</b>           | <b>18,044</b>                                  | <b>38.74%</b>            | <b>2,672,056</b>         | <b>1,473,657</b>         | <b>1,198,399</b>                              | <b>81.32%</b>        | <b>1,485,278</b>           | <b>179.90%</b>             |

**Illinois Finance Authority**  
**Consolidated Statement of Activities**  
**Comparison**  
**for Period Ending**  
**March 31, 2013**

|  | Actual<br>March<br>2013 | Actual<br>March<br>2012 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Actual<br>YTD<br>FY 2012 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| <b>REVENUE</b>                         |                         |                         |  |                          |                          |                          |   |                      |
| INTEREST ON LOANS                      | 153,661                 | (12,951)                | 166,612  | -1286.48%                | 1,413,034                | 1,673,724                | (260,690)                                     | -15.58%              |
| INVESTMENT INTEREST & GAIN(LOSS)       | 92,724                  | (4,041)                 | 96,765   | -2394.58%                | 657,825                  | 457,829                  | 199,996                                       | 43.68%               |
| ADMINISTRATIONS & APPLICATION FEES     | 253,016                 | 106,694                 | 146,322  | 137.14%                  | 3,131,959                | 1,942,415                | 1,189,544                                     | 61.24%               |
| ANNUAL ISSUANCE & LOAN FEES            | 30,867                  | 38,845                  | (7,978)  | -20.54%                  | 264,940                  | 354,501                  | (89,561)                                      | -25.26%              |
| OTHER INCOME                           | 18,155                  | 106,619                 | (88,464)                                       | -82.97%                  | 706,989                  | 1,675,193                | (968,204)                                     | -57.80%              |
| <b>TOTAL REVENUE</b>                   | <b>548,423</b>          | <b>235,166</b>          | <b>313,257</b>                                 | <b>133.21%</b>           | <b>6,174,747</b>         | <b>6,103,662</b>         | <b>71,085</b>                                 | <b>1.16%</b>         |
| <b>EXPENSES</b>                        |                         |                         |  |                          |                          |                          |   |                      |
| <b>EMPLOYEE RELATED EXPENSES</b>       |                         |                         |  |                          |                          |                          |   |                      |
| COMPENSATION & TAXES                   | 140,351                 | 121,057                 | 19,294   | 15.94%                   | 1,084,248                | 1,145,727                | (61,479)                                      | -5.37%               |
| BENEFITS                               | 21,786                  | 21,669                  | 117  | 0.54%                    | 190,584                  | 184,885                  | 5,699   | 3.08%                |
| TEMPORARY HELP                         | -                       | -                       | -  | 0.00%                    | -                        | 778                      | (778)   | 0.00%                |
| EDUCATION & DEVELOPMENT                | -                       | 263                     | (263)  | 0.00%                    | 595                      | 413                      | 182   | 44.07%               |
| TRAVEL & AUTO                          | 2,803                   | 5,056                   | (2,253)  | -44.56%                  | 32,176                   | 35,519                   | (3,343)                                       | -9.41%               |
| <b>TOTAL EMPLOYEE RELATED EXPENSES</b> | <b>164,940</b>          | <b>148,045</b>          | <b>16,895</b>                                  | <b>11.41%</b>            | <b>1,307,603</b>         | <b>1,367,322</b>         | <b>(59,719)</b>                               | <b>-4.37%</b>        |
| <b>PROFESSIONAL SERVICES</b>           |                         |                         |  |                          |                          |                          |   |                      |
| CONSULTING, LEGAL & ADMIN              | 39,956                  | 121,966                 | (82,010)                                       | -67.24%                  | 448,039                  | 416,514                  | 31,525  | 7.57%                |
| LOAN EXPENSE & BANK FEE                | 168,733                 | (37,859)                | 206,592  | -545.69%                 | 1,523,885                | 1,705,969                | (182,084)                                     | -10.67%              |
| ACCOUNTING & AUDITING                  | 26,205                  | 22,328                  | 3,877  | 17.36%                   | 255,325                  | 216,313                  | 39,012  | 18.03%               |
| MARKETING GENERAL                      | -                       | 68                      | (68)   | -100.00%                 | 2,457                    | 4,845                    | (2,388)                                       | -49.29%              |
| FINANCIAL ADVISORY                     | 8,333                   | 5,000                   | 3,333  | 66.66%                   | 110,941                  | 56,185                   | 54,756  | 97.46%               |
| CONFERENCE/TRAINING                    | 1,844                   | 3,508                   | (1,664)  | -47.43%                  | 12,599                   | 20,005                   | (7,406)                                       | -37.02%              |
| MISC. PROFESSIONAL SERVICES            | 9,584                   | (28,329)                | 37,913   | -133.83%                 | 114,919                  | 44,348                   | 70,571  | 159.13%              |
| DATA PROCESSING                        | 6,044                   | 4,260                   | 1,784  | 41.88%                   | 41,890                   | 31,725                   | 10,165  | 32.04%               |
| <b>TOTAL PROFESSIONAL SERVICES</b>     | <b>260,699</b>          | <b>90,942</b>           | <b>169,757</b>                                 | <b>186.67%</b>           | <b>2,510,055</b>         | <b>2,495,904</b>         | <b>14,151</b>                                 | <b>0.57%</b>         |
| <b>OCCUPANCY COSTS</b>                 |                         |                         |  |                          |                          |                          |   |                      |
| OFFICE RENT                            | 21,632                  | 21,603                  | 29   | 0.13%                    | 182,395                  | 185,230                  | (2,835)                                       | -1.53%               |
| EQUIPMENT RENTAL AND PURCHASES         | 1,392                   | 1,322                   | 70   | 5.30%                    | 10,768                   | 13,625                   | (2,857)                                       | -20.97%              |
| TELECOMMUNICATIONS                     | 2,607                   | 2,949                   | (342)  | -11.60%                  | 25,211                   | 23,405                   | 1,806   | 7.72%                |
| UTILITIES                              | 980                     | 955                     | 25   | 2.62%                    | 8,479                    | 9,366                    | (887)   | -9.47%               |
| DEPRECIATION                           | 4,063                   | 4,039                   | 24   | 0.59%                    | 36,263                   | 32,915                   | 3,348   | 10.17%               |
| INSURANCE                              | 504                     | 1,948                   | (1,444)  | -74.13%                  | 14,675                   | 17,508                   | (2,833)                                       | -16.18%              |
| <b>TOTAL OCCUPANCY COSTS</b>           | <b>31,178</b>           | <b>32,816</b>           | <b>(1,638)</b>                                 | <b>-4.99%</b>            | <b>277,791</b>           | <b>282,049</b>           | <b>(4,258)</b>                                | <b>-1.51%</b>        |

**Illinois Finance Authority  
Consolidated Statement of Activities  
Comparison  
for Period Ending  
March 31, 2013**

|  | Actual<br>March<br>2013 | Actual<br>March<br>2012 | Current Month<br>Variance<br>Actual vs. Budget | Current<br>%<br>Variance | Actual<br>YTD<br>FY 2013 | Actual<br>YTD<br>FY 2012 | Year to Date<br>Variance<br>Actual vs. Budget | YTD<br>%<br>Variance |
|--|-------------------------|-------------------------|--|--------------------------|--------------------------|--------------------------|---|----------------------|
| GENERAL & ADMINISTRATION                                       |                         |                         |  |                          |                          |                          |   |                      |
| OFFICE SUPPLIES  | 3,041                   | 3,106                   | (65)   | -2.09%                   | 29,822                   | 27,143                   | 2,679   | 9.87%                |
| BOARD MEETING - EXPENSES                                       | 2,328                   | 2,294                   | 34   | 1.48%                    | 21,665                   | 20,533                   | 1,132   | 5.51%                |
| PRINTING   | 1,679                   | 492                     | 1,187  | 241.26%                  | 6,021                    | 5,207                    | 814   | 15.63%               |
| POSTAGE & FREIGHT  | 1,220                   | 1,217                   | 3  | 0.25%                    | 11,922                   | 10,538                   | 1,384   | 13.13%               |
| MEMBERSHIP, DUES & CONTRIBUTIONS                               | 315                     | 50                      | 265  | 530.00%                  | 23,997                   | 31,566                   | (7,569)                                       | -23.98%              |
| PUBLICATIONS   | 31                      | 87                      | (56)   | -64.37%                  | 757                      | 1,324                    | (567)   | -42.82%              |
| OFFICERS & DIRECTORS INSURANCE                                 | 17,969                  | 15,343                  | 2,626  | 17.12%                   | 150,057                  | 138,089                  | 11,968  | 8.67%                |
| MISCELLANEOUS  | -                       | 400                     | (400)  | 0.00%                    | -                        | 400                      | (400)   | 0.00%                |
| <b>TOTAL GENL &amp; ADMIN EXPENSES</b>                         | <b>26,583</b>           | <b>22,989</b>           | <b>3,594</b>                                   | <b>15.63%</b>            | <b>244,241</b>           | <b>234,800</b>           | <b>9,441</b>                                  | <b>4.02%</b>         |
| LOAN LOSS PROVISION/BAD DEBT                                   | -                       | -                       | -  | 0.00%                    | -                        | -                        | -   | #DIV/0!              |
| OTHER  |                         |                         |  |                          |                          |                          |   |                      |
| INTEREST EXPENSE   | 406                     | 455                     | (49)   | -10.77%                  | 4,400                    | 4,379                    | 21  | 0.48%                |
| <b>TOTAL OTHER</b>   | <b>406</b>              | <b>455</b>              | <b>(49)</b>                                    | <b>0.00%</b>             | <b>4,400</b>             | <b>4,379</b>             | <b>21</b>                                     | <b>0.00%</b>         |
| <b>TOTAL EXPENSES</b>  | <b>483,806</b>          | <b>295,247</b>          | <b>188,559</b>                                 | <b>63.86%</b>            | <b>4,344,090</b>         | <b>4,384,454</b>         | <b>(40,364)</b>                               | <b>-0.92%</b>        |
| NET INCOME (LOSS) BEFORE<br>UNREALIZED GAIN/(LOSS) & TRANSFERS | 64,617                  | (60,081)                | 124,698  | -207.55%                 | 1,830,657                | 1,719,208                | 111,449                                       | 6.48%                |
| NET UNREALIZED GAIN/(LOSS)<br>ON INVESTMENT                    |                         | -                       | -  | 0.00%                    |                          | (140,000)                | 140,000                                       | 0.00%                |
| TRANSFER   |                         | 8                       | (8)  | 0.00%                    |                          | -                        | -   | 0.00%                |
| REVENUE GRANT  | -                       | -                       | -  | 0.00%                    | 841,399                  | -                        | 841,399                                       | 0.00%                |
| TRANSFERS FROM STATE   |                         | -                       | -  | 0.00%                    |                          | -                        | -   | 0.00%                |
| <b>NET INCOME/(LOSS)</b>                                       | <b>64,617</b>           | <b>(60,073)</b>         | <b>124,690</b>                                 | <b>-207.56%</b>          | <b>2,672,056</b>         | <b>1,579,208</b>         | <b>1,092,848</b>                              | <b>69.20%</b>        |



**Illinois Finance Authority**  
**Consolidated**  
**Unaudited**  
**Balance Sheet**  
**for the Nine Months Ending March 31, 2013**

|   | Actual<br>March<br>2013 | Actual<br>March<br>2012 |
|---|-------------------------|-------------------------|
|   |                         |                         |
| <b>ASSETS</b>                                 |                         |                         |
| CASH & INVESTMENTS, UNRESTRICTED              | \$ 44,430,689           | \$ 37,336,940           |
| RECEIVABLES, NET                              | 57,097                  | 49,290                  |
| LOAN RECEIVABLE, NET                          | 25,974,316              | 27,348,167              |
| NOTES RECEIVABLE                              | 32,466,437              | 34,895,113              |
| OTHER RECEIVABLES                             | 1,324,749               | 377,134                 |
| PREPAID EXPENSES                              | 98,213                  | 74,478                  |
|   |                         |                         |
| TOTAL CURRENT ASSETS                          | 104,351,501             | 100,081,122             |
| <br>  |                         |                         |
| FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION | 122,070                 | 119,888                 |
| <br>  |                         |                         |
| DEFERRED ISSUANCE COSTS                       | 289,762                 | 347,184                 |
| <br>  |                         |                         |
| OTHER ASSETS                                  |                         |                         |
| CASH RESTRICTED, INVESTMENTS & RESERVES       | 58,079,110              | 52,368,984              |
| VENTURE CAPITAL INVESTMENTS                   | -                       | 1,947,981               |
| OTHER   | 3,000,000               | 3,000,000               |
|   |                         |                         |
| TOTAL OTHER ASSETS                            | 61,079,110              | 57,316,965              |
| <br>  |                         |                         |
| TOTAL ASSETS                                  | <u>\$ 165,842,443</u>   | <u>\$ 157,865,159</u>   |
| <br>  |                         |                         |
| <b>LIABILITIES</b>                            |                         |                         |
| CURRENT LIABILITIES                           | 1,345,850               | 890,545                 |
| BONDS PAYABLE                                 | 41,885,000              | 42,130,000              |
| OTHER LIABILITIES                             | 2,129,978               | 1,238,722               |
|   |                         |                         |
| TOTAL LIABILITIES                             | 45,360,828              | 44,259,267              |
| <br>  |                         |                         |
| <b>EQUITY</b>                                 |                         |                         |
| CONTRIBUTED CAPITAL                           | 35,608,692              | 35,608,692              |
| RETAINED EARNINGS                             | 30,492,093              | 28,655,681              |
| NET INCOME / (LOSS)                           | 2,672,056               | 1,579,208               |
| RESERVED/RESTRICTED FUND BALANCE              | 39,060,603              | 35,114,140              |
| UNRESERVED FUND BALANCE                       | 12,648,171              | 12,648,171              |
|   |                         |                         |
| TOTAL EQUITY                                  | 120,481,615             | 113,605,892             |
| <br>  |                         |                         |
| TOTAL LIABILITIES & EQUITY                    | <u>\$ 165,842,443</u>   | <u>\$ 157,865,159</u>   |

**\$42,000,000**

**April 9, 2013**

**DePaul University**

| <b>REQUEST</b>  | <p><b>Purpose:</b> The proposed financing will enable <b>DePaul University</b> (the “<b>University</b>” or the “<b>Borrower</b>”) to issue one or more series of Revenue Bonds to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University, Series 2004C), the proceeds of which were used to finance certain educational facilities of the University (the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Refunding Bonds (Advance Refunding)</p> <p><b>Extraordinary Conditions:</b> None.</p>   |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
|---|---|--------------|-------------------------------------|-----------------------------|--------------|---------------------|--------------|--|-------------------------------|-----------------|------------------|--|-------------------------------------|--------------|----------------------------|-----------------------------|----------------------------|--|------|--|--|
| <b>BOARD ACTIONS</b>  | <p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 3/13/2013:<br/>         Yeas: 10 (Knox via audio conference); Nays: 0; Abstention: 1 (Gold); Absent: 3 (O’Brien; Parrish; Tessler);<br/>         Vacancy: 1</p>  |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>MATERIAL CHANGES</b>   | <p>None.</p>  |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>JOB DATA</b>   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">2,434</td> <td style="width: 15%;">Current</td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 40%;">New jobs projected</td> </tr> <tr> <td></td> <td></td> <td>jobs</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">N/A</td> <td>Retained</td> <td style="text-align: center;">N/A</td> <td>Construction jobs projected</td> </tr> <tr> <td></td> <td></td> <td>jobs</td> <td></td> <td></td> </tr> </table>  |              | 2,434                               | Current                     | N/A          | New jobs projected  |              |  | jobs                          |                 |                  |  | N/A                                 | Retained     | N/A                        | Construction jobs projected |                            |  | jobs |  |  |
|   | 2,434   | Current      | N/A                                 | New jobs projected          |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
|   |   | jobs         |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
|   | N/A   | Retained     | N/A                                 | Construction jobs projected |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
|   |   | jobs         |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>DESCRIPTION</b>  | <ul style="list-style-type: none"> <li>• Location: Chicago (Cook County/Northeast Region)</li> <li>• DePaul’s original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent’s College.</li> <li>• The proposed Series 2013 Refunding Bonds will enable DePaul to refund or advance refund all or a portion of its Series 2004C Bonds to generate present value savings.</li> </ul>   |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>CREDIT INDICATORS</b>  | <ul style="list-style-type: none"> <li>• DePaul is currently rated “A2”/ “A-”/“A” long-term by Moody’s/S&amp;P/Fitch.</li> </ul>  |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>PROPOSED STRUCTURE</b>   | <ul style="list-style-type: none"> <li>• The Bonds will be underwritten by Goldman Sachs &amp; Company (Senior Manager) based on the direct, underlying ratings of DePaul University.</li> <li>• Estimated interest rates range between 2.50% and 3.00% based on market conditions as of 3/25/2013.</li> </ul>  |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>SOURCES AND USES<br/>(*PRELIMINARY,<br/>SUBJECT TO CHANGE)</b> | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: right;"><b>Sources:</b></th> <th style="width: 20%;"></th> <th style="width: 30%; text-align: right;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>IFA Refunding Bonds</td> <td style="text-align: right;">\$42,000,000</td> <td></td> <td style="text-align: right;">Refunding Escrow \$42,000,000</td> </tr> <tr> <td>Borrower Equity</td> <td style="text-align: right;"><u>1,150,000</u></td> <td></td> <td style="text-align: right;">*Costs of Issuance <u>1,150,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$43,150,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$43,150,000</u></b></td> </tr> </tbody> </table> |              | <b>Sources:</b>                     |                             | <b>Uses:</b> | IFA Refunding Bonds | \$42,000,000 |  | Refunding Escrow \$42,000,000 | Borrower Equity | <u>1,150,000</u> |  | *Costs of Issuance <u>1,150,000</u> | <b>Total</b> | <b><u>\$43,150,000</u></b> | <b>Total</b>                | <b><u>\$43,150,000</u></b> |  |      |  |  |
|   | <b>Sources:</b>   |              | <b>Uses:</b>                        |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| IFA Refunding Bonds   | \$42,000,000  |              | Refunding Escrow \$42,000,000       |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| Borrower Equity   | <u>1,150,000</u>  |              | *Costs of Issuance <u>1,150,000</u> |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>Total</b>  | <b><u>\$43,150,000</u></b>  | <b>Total</b> | <b><u>\$43,150,000</u></b>          |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |
| <b>RECOMMENDATION</b>   | <p>Credit Review Committee recommends approval.</p>   |              |                                     |                             |              |                     |              |  |                               |                 |                  |  |                                     |              |                            |                             |                            |  |      |  |  |

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 9, 2013**

**Project: DePaul University**

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**STATISTICS**

|                 |                         |            |                                    |
|-----------------|-------------------------|------------|------------------------------------|
| Project Number: | E-PC-TE-CD-8606         | Amount:    | Not to exceed \$42,000,000         |
| 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 Refunding Bonds   | No IFA funds at risk        |
| Credit Review Committee recommends approval | No extraordinary conditions |

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**PURPOSE**

Bond proceeds will be issued in one or more series and used to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University, Series 2004C), the proceeds of which were used to finance certain educational facilities of the University.

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**IFA CONTRIBUTION AND PROGRAM**

IFA will convey federal tax-exempt status on interest paid to investors on the Bonds, thereby resulting in a lower interest rate that will be passed through to the Borrower.

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**VOTING RECORD**

Preliminary Bond Resolution approved 3/13/2013:  
Yeas: 10 (Knox via audio conference); Nays: 0; Abstention: 1 (Gold); Absent: 3 (O'Brien; Parrish; Tessler); Vacancy: 1

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**SOURCES AND USES OF FUNDS**

|          |                     |                            |       |                    |                            |
|----------|---------------------|----------------------------|-------|--------------------|----------------------------|
| Sources: | IFA Refunding Bonds | \$42,000,000               | Uses: | Refunding Escrow   | \$42,000,000               |
|          | Equity              | <u>1,150,000</u>           |       | *Costs of Issuance | <u>1,150,000</u>           |
|          | <b>Total</b>        | <b><u>\$43,150,000</u></b> |       | <b>Total</b>       | <b><u>\$43,150,000</u></b> |

**\*Estimated and subject to change prior to pricing**

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**JOBS**

|                     |       |                     |     |
|---------------------|-------|---------------------|-----|
| Current employment: | 2,434 | Projected new jobs: | N/A |
| Jobs retained:      | N/A   | Construction jobs:  | N/A |

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## BUSINESS SUMMARY

**Background:** DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College.

The University is governed by a two-tiered governance committee consisting of (1) the Members of the University, a self-perpetuating body of 14 individuals, representing the Congregation of the Mission (C.M.), the religious community that sponsors the University. The Members are empowered to elect the Board of Trustees, whose responsibility is to direct and manage the affairs of the University and other officers. Currently, there are 44 trustees elected to serve staggered 3-year terms (40 to 45 trustees are required under the University's By-Laws). A list of the University's current Board of Trustees is attached (see page 6).

**Description:** The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution, serving metropolitan Chicago. The University is the largest Catholic university in the nation and among the nation's ten largest private universities. In Fall 2012, the University posted total enrollment of 24,966 students, including 16,498 undergraduate students and 8,468 graduate and professional students.

The University is comprised of five campuses, including two core campuses in Chicago, and three satellite campuses in Chicago and suburban Chicago. DePaul's Lincoln Park and Loop Campuses in Chicago form the core of the University's academic and administrative activities. The Lincoln Park campus is a residential campus located on approximately 34 acres and is located approximately 3 miles north of downtown Chicago. The Lincoln Park campus now consists of more than 45 buildings comprising approximately 2.3 million square feet. The Loop Campus, located in the Chicago Central Business District at the corner of Wabash Ave. and Jackson Blvd., consists of 3 interconnected and 2 adjacent buildings of over 1.3 million SF and provides facilities for the College of Law, Graduate Programs, and undergraduate programs.

DePaul's three satellite campus locations were established and have expanded to satisfy a growing demand for higher education in suburban Chicago. DePaul's three satellite facilities include: (1) The DePaul O'Hare Campus (near Cumberland Ave. [Illinois Hwy. 171] and the Kennedy Expressway [I-90]) in Chicago, Illinois, (2) South Suburban Community College in Oak Forest, Illinois, and (3) its Naperville Campus (located in a portion of the BP [Amoco] Research Center facility adjacent to the Reagan/East-West Tollway [I-88]).

The University offers 123 undergraduate and over 175 graduate and professional graduate degree programs, including seven programs offered by the College of Law.

During calendar year 2012, key business developments included:

1. Dedicating the **Arts and Letters Hall**, a new academic building at the Lincoln Park campus featuring 47 classrooms and housing the Department of English and the Department of History of Art and Architecture. The facility also contains faculty offices and meeting rooms.
2. Dedicating the **Richard H. Driehaus College of Business** in support of faculty excellence in graduate and undergraduate business programs.
3. Announcing the establishment of the **Alliance for Health Sciences** (the "**Alliance**"), a unique, wide-ranging alliance with **Rosalind Franklin University of Medicine and Science** ("**Rosalind Franklin**") in North Chicago. The Alliance will help address the expanding need for health care professionals. The objectives of the Alliance are to: (1) establish a curricular pathway for DePaul students to graduate professional degree programs at Rosalind Franklin, (2) expand and strengthen academic programs at both universities, (3) foster collaboration between the faculties of the two institutions, and (4) create additional research opportunities for students. DePaul plans to use Rosalind Franklin's fully-equipped North Chicago campus as a second instructional site for its nursing program.

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**FINANCING SUMMARY**

|                              |  |
|------------------------------|--|
| Security/<br>Ratings:        | The Bonds will be sold based on the direct, underlying rating of DePaul University. DePaul is currently rated “A2”/ “A-”/“A” long-term by Moody’s/S&P/Fitch. |
| Structure:                   | The Bonds will be underwritten by Goldman Sachs & Company (Senior Manager) and sold on the basis of the University’s long-term debt ratings.                 |
| Interest Rate:               | Estimated all-in interest rates on the two series range between 2.50% and 3.00% as of 3/25/2013.   |
| Maturity:                    | The IFA Series 2013 Revenue Refunding Bonds are expected to mature in 2024 or 2025. The final maturity date of the IFA Series 2004C Bond is 10/1/2024.       |
| Anticipated<br>Closing Date: | May 2013   |
| Rationale:                   | Advance refunding to attain present value savings.   |

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

The proposed financing will enable **DePaul University** (the “**University**” or the “**Borrower**”) to issue one or more series of Revenue Bonds to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University - Series 2004C), the proceeds of which were used to finance certain educational facilities of the University (the “**Financing Purposes**”).

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**ECONOMIC DISCLOSURE STATEMENT**

|                         |   |
|-------------------------|---|
| Applicant/<br>Contacts: | DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; <a href="http://www.depaul.edu">www.depaul.edu</a><br>(1) Jeffrey J. Bethke, Treasurer, Ph.: 312/362-6715; <a href="mailto:jbethke@depaul.edu">jbethke@depaul.edu</a><br>(2) Doug Stanford, Director of Treasury Operations, Ph.: 312/ 362-6714; <a href="mailto:dstanford@depaul.edu">dstanford@depaul.edu</a> |
| Project name:           | DePaul University Series 2013 Refunding Revenue Bonds   |
| Locations:              | DePaul’s Lincoln Park Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 and<br>DePaul’s Loop Campus, 55 East Jackson Blvd., Chicago, IL 60604  |
| Organization:<br>Board  | Illinois 501(c)(3) organization   |
| Membership:             | <i>For list of Board of Trustees, see page 6.</i>   |

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**PROFESSIONAL AND FINANCIAL**

|                           |                                   |              |                              |
|---------------------------|-----------------------------------|--------------|------------------------------|
| Borrower's Counsel:       | Perkins Coie LLP                  | Chicago, IL  | Daniel Coyne                 |
| Auditor:                  | KPMG, LLP                         | Chicago, IL  |                              |
| Bond Counsel:             | Chapman and Cutler LLP            | Chicago, IL  | Jim Luebchow,<br>Nancy Burke |
| Senior Manager:           | Goldman Sachs & Co.               | New York, NY | Thornton Lurie               |
| Co-Manager:               | Loop Capital Markets, LLC         | Chicago, IL  | Al Dinwiddle                 |
| Underwriter's<br>Counsel: | Michael Best & Friedrich LLP      | Chicago, IL  | Gregory Tears                |
| Trustee:                  | Deutsche Bank National Trust Co.  | Chicago, IL  | George Kubin                 |
| Rating Agencies:          | Moody's Investors Service         | New York, NY |                              |
|                           | Standard & Poor's                 | Chicago, IL  |                              |
|                           | Fitch Ratings                     | New York, NY |                              |
| IFA Counsel:              | Burke Burns & Pinelli, Ltd.       | Chicago, IL  | Steve Welcome                |
| IFA Financial<br>Advisor: | Public Financial Management, Inc. | Chicago, IL  | Shannon Williams             |

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**LEGISLATIVE DISTRICTS**

|                | <b>Loop Campus</b> | <b>Lincoln Park Campus</b> |
|----------------|--------------------|----------------------------|
| Congressional: | 7                  | 5                          |
| State Senate:  | 3                  | 6                          |
| State House:   | 5                  | 11                         |

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### DePaul University Board of Trustees

| <b>Name</b>                          | <b>Affiliation</b>   |
|--------------------------------------|--|
| Rev. Thomas Anslow, C.M.             | Canonical Vicar, Archdiocese of Los Angeles                              |
| Peter C. Argianas*                   | Chairman, President and CEO, Gold Coast Bank                             |
| Karen M. Atwood                      | President, Blue Cross Blue Shield of Illinois                            |
| Gerald A. Beeson                     | COO, Citadel Investment Group, LLC                                       |
| William E. Bennett*                  |  |
| John L. Brennan                      | Head of Private Wealth Management, William Blair & Co.                   |
| Ruth W. Brinkley                     | President and CEO, KentuckyOne Health                                    |
| Frank M. Clark                       | Retired Chairman and CEO, ComEd  |
| Curtis J. Crawford                   | President and CEO, XCEO, Inc.  |
| Sebastian S. Cualoping               | President, AMPAC International, Inc.                                     |
| Connie R. Curran*                    | President, Curran Associates   |
| Mary A. Dempsey*                     | President, Philip H. Corboy Foundation                                   |
| Sister Margaret M. Fitzpatrick, D.C. | President, St. Thomas Aquinas College                                    |
| Sue L. Gin                           | Chairman, Flying Food Group Inc.   |
| Chester A. Gougis                    | Managing Partner, Cognitive Capital Partners                             |
| Jack M. Greenberg                    | Retired Chairman and CEO, McDonald's Corporation                         |
| Arnold T. Grisham                    | President and CEO, Peer Review Solutions                                 |
| Richard A. Hanson                    | Principal, Mesa Development, LLC   |
| Harry J. Harczak                     |  |
| William E. Hay*                      | President, William E. Hay & Co.  |
| Donald H. Heller                     | Dean, College of Education, Michigan State University                    |
| Rev. Perry Henry                     | Provincial Superior, Western Province of the Congregation of the Mission |
| Roberto Herencia                     | President and CEO, BXM Holdings, Inc.                                    |
| Lori Holland                         | Managing Director, Neuberger Berman                                      |
| Rev. Dennis H. Holtschneider, C.M.*  | President, DePaul University   |
| Stacy Janiak*                        | Managing Partner, Deloitte and Touche                                    |
| James M. Jenness*                    | Chairman, Kellogg Company  |
| Jeffrey J. Kroll                     | Partner, Law Offices of Jeffrey J. Kroll                                 |
| Rev. James Maher, C.M.*              | Vice President of Student Affairs, St. John's University                 |
| Rev. Thomas McKenna, C.M.            | Member, Congregation of the Mission, Western Province                    |
| Carla Michelotti*                    | Executive VP/General Counsel, Leo Burnett Company, Inc.                  |
| Patrick J. Moore                     | President and CEO, PJM Advisors  |
| Peter J. Pesce                       | Chief Human Resources Officer, A.T. Kearney, Inc.                        |
| Anne R. Pramaggiore                  | President and CEO, ComEd   |
| Rev. Mark Pranaitis, C.M.            | Assistant Provincial, Congregation of the Mission, Western Province      |
| Larry R. Rogers                      | Partner, Powers Rogers & Smith, P.C.                                     |
| George Ruff*                         | Senior Principal, Trinity Hotel Investors, LLC                           |
| James Ryan                           | President, CEO and Chairman of the Board, W.W. Grainger, Inc.            |
| Bertram L. Scott*                    | Partner, Jenner & Block  |
| John B. Simon                        |  |
| John C. Staley                       | Retired Managing Partner, Ernst & Young, LLP                             |
| Daniel C. Ustian                     | Retired Chairman and CEO, Navistar                                       |
| Dia S. Weil                          | Retired CFO and COO, Verizon Airfone                                     |

## \$400,000,000 (not-to-exceed amount)

### The University of Chicago

April 9, 2013

| <b>REQUEST</b>           | <p><b>Purpose:</b> Bond proceeds will be combined with other funds to finance all or a portion of the costs of various educational facilities and used by <b>The University of Chicago</b> (the “<b>University</b>” or the “<b>Borrower</b>”) to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of certain of its facilities constituting “educational facilities,” as defined in the Illinois Finance Authority Act (the “<b>Project</b>”), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of (a) the Illinois Educational Facilities Authority Revenue Bonds, The University of Chicago, Series 2001A, issued in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$2,860,000 (the “<b>Series 2001A Bonds</b>”), (b) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2004A, issued in the original aggregate principal amount of \$100,000,000 and currently outstanding in the aggregate principal amount of \$13,625,000 (the “<b>Series 2004A Bonds</b>”), (c) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2007, issued in the original aggregate principal amount of \$244,030,000 and outstanding in the aggregate principal amount of \$239,500,000 (the “<b>Series 2007 Bonds</b>”), and (d) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of \$500,000,000 (the “<b>Series 2008B Bonds</b>” and, collectively with the Series 2001A Bonds, the Series 2004A Bonds and the Series 2007 Bonds, the “<b>Prior Bonds</b>”), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of certain of the University’s facilities constituting “educational facilities,” as defined in the Act (collectively with the Project, the “<b>Financed Properties</b>”), (ii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Prior Bonds, all as permitted under the Act (collectively referred to as the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> 501(c)(3) Revenue Bonds and Revenue Refunding Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p> |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
|--------------------------|--|------------------------|--|--------------|---|---------------------|---------------|------------------------|--|---------------------|-------------|-----------------|-------------|-------------------|--------------------|-------------------|----------------|--------------|----------------------|--------------|----------------------|
| <b>BOARD ACTIONS</b>     | <p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 3/13/2013:<br/>         Yeas: 11 (Knox via audio conference); Nays: 0; Abstentions: 0; Absent: 3 (O’Brien; Parrish; Tessler); Vacancy: 1</p>  |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>MATERIAL CHANGES</b>  | <p>None.</p>   |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>JOB DATA</b>          | <table border="0"> <tr> <td style="text-align: center;">11,200</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">*N/A</td> <td style="text-align: center;">New jobs projected (see Jobs section on Page 3 of report)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">*N/A</td> <td style="text-align: center;">Construction jobs projected (see Jobs section on Page 3 of report)</td> </tr> </table>   | 11,200                 | Current jobs   | *N/A         | New jobs projected (see Jobs section on Page 3 of report) | N/A                 | Retained jobs | *N/A                   | Construction jobs projected (see Jobs section on Page 3 of report) |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| 11,200                   | Current jobs   | *N/A                   | New jobs projected (see Jobs section on Page 3 of report)          |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| N/A                      | Retained jobs  | *N/A                   | Construction jobs projected (see Jobs section on Page 3 of report) |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>DESCRIPTION</b>       | <ul style="list-style-type: none"> <li>• Project Location: City of Chicago (Cook County)</li> <li>• Type of entity: The University, a 501(c)(3) organization incorporated under Illinois law, is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a fifty-member Board of Trustees.</li> </ul>   |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>CREDIT INDICATORS</b> | <ul style="list-style-type: none"> <li>• The plan of finance contemplates Bonds to be sold in one or more series. Fixed Rate Bonds will be sold based on the University’s underlying long-term debt ratings of Aa1/AA (Moody’s/S&amp;P). Any Variable Rate Bonds may be further secured by a liquidity facility. The University’s short-term ratings are P-1/A-1 + (Moody’s/S&amp;P).</li> <li>• Morgan Stanley has been engaged by the Borrower as Underwriter/Senior Manager. The Co-Senior Manager and Co-Managers, also selected pursuant to the University’s procurement policies, are identified on page 6 of this report.</li> </ul>  |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>SECURITY</b>          | <ul style="list-style-type: none"> <li>• The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University’s assets, properties or funds.</li> </ul>  |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>MATURITY</b>          | <ul style="list-style-type: none"> <li>• Bonds will mature no later than 40 years from the issue date.</li> <li>• Both sizing and interest rate modes to be determined based on evaluation of market conditions by the University and its financing team at pricing. <i>The amounts represented in this report represent not-to-exceed parameters.</i></li> </ul>  |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>SOURCES AND USES</b>  | <table border="0"> <thead> <tr> <th colspan="2" style="text-align: left;"><b>Sources:</b></th> <th colspan="2" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">IFA New Money Bonds</td> <td style="text-align: right;">\$200,000,000</td> <td style="text-align: right;">New Money Project Fund</td> <td style="text-align: right;">\$499,040,000</td> </tr> <tr> <td style="text-align: right;">IFA Refunding Bonds</td> <td style="text-align: right;">200,000,000</td> <td style="text-align: right;">Refunding Bonds</td> <td style="text-align: right;">200,000,000</td> </tr> <tr> <td style="text-align: right;">Taxable Financing</td> <td style="text-align: right;"><u>300,000,000</u></td> <td style="text-align: right;">Costs of Issuance</td> <td style="text-align: right;"><u>960,000</u></td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>\$700,000,000</b></td> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>\$700,000,000</b></td> </tr> </tbody> </table>   | <b>Sources:</b>        |  | <b>Uses:</b> |   | IFA New Money Bonds | \$200,000,000 | New Money Project Fund | \$499,040,000  | IFA Refunding Bonds | 200,000,000 | Refunding Bonds | 200,000,000 | Taxable Financing | <u>300,000,000</u> | Costs of Issuance | <u>960,000</u> | <b>Total</b> | <b>\$700,000,000</b> | <b>Total</b> | <b>\$700,000,000</b> |
| <b>Sources:</b>          |  | <b>Uses:</b>           |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| IFA New Money Bonds      | \$200,000,000  | New Money Project Fund | \$499,040,000  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| IFA Refunding Bonds      | 200,000,000  | Refunding Bonds        | 200,000,000  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| Taxable Financing        | <u>300,000,000</u>   | Costs of Issuance      | <u>960,000</u>   |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>Total</b>             | <b>\$700,000,000</b>   | <b>Total</b>           | <b>\$700,000,000</b>   |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |
| <b>RECOMMENDATION</b>    | <p>Credit Review Committee recommends approval.</p>  |                        |  |              |   |                     |               |                        |  |                     |             |                 |             |                   |                    |                   |                |              |                      |              |                      |



**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 9, 2013**

**Project: The University of Chicago**

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**STATISTICS**

|                 |                         |                |                                    |
|-----------------|-------------------------|----------------|------------------------------------|
| Project Number: | E-PC-TE-CD-8612         | Amount:        | \$400,000,000 (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 and Refunding Bonds | No IFA funds at risk        |
| Credit Review Committee recommends approval   | No extraordinary conditions |

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**VOTING RECORD**

Preliminary Bond Resolution approved 3/13/2013:  
Yeas: 11 (Knox via audio conference); Nays: 0; Abstentions: 0; Absent: 3 (O'Brien; Parrish; Tessler); Vacancy: 1

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**PURPOSE**

Bond proceeds will be combined with other funds to finance all or a portion of the costs of various educational facilities and used by The University of Chicago (the "**University**" or the "**Borrower**") and issued in one or more series to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of certain of its facilities constituting "educational facilities," as defined in the Act (the "**Project**"), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of (a) the Illinois Educational Facilities Authority Revenue Bonds, The University of Chicago, Series 2001A, issued in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$2,860,000 (the "**Series 2001A Bonds**"), (b) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2004A, issued in the original aggregate principal amount of \$100,000,000 and currently outstanding in the aggregate principal amount of \$13,625,000 (the "**Series 2004A Bonds**"), (c) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2007, issued in the original aggregate principal amount of \$244,030,000 and currently outstanding in the aggregate principal amount of \$239,500,000 (the "**Series 2007 Bonds**"), and (d) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of \$500,000,000 (the "**Series 2008B Bonds**" and, collectively with the Series 2001A Bonds, the Series 2004A Bonds and the Series 2007 Bonds, the "**Prior Bonds**"), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of certain of the University's facilities constituting "educational facilities," as defined in the Act (collectively with the Project, the "**Financed Properties**"), (ii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Prior Bonds, all as permitted under the Act (collectively referred to as the "**Financing Purposes**").

**IFA PROGRAM AND CONTRIBUTION**

IFA will convey federal tax-exempt status on interest paid to investors on the Bonds, thereby resulting in a lower interest rate that will be passed through to the Borrower.

**VOLUME CAP**

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

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

|              |                     |                             |              |                        |                             |
|--------------|---------------------|-----------------------------|--------------|------------------------|-----------------------------|
| Sources:     | IFA New Money Bonds | \$200,000,000               | Uses:        | New Money Project Fund | \$499,040,000               |
|              | IFA Refunding Bonds | 200,000,000                 |              | Refunding Bonds        | 200,000,000                 |
|              | Taxable Bonds       | <u>300,000,000</u>          |              | Costs of Issuance      | <u>960,000</u>              |
| <b>Total</b> |                     | <b><u>\$700,000,000</u></b> | <b>Total</b> |                        | <b><u>\$700,000,000</u></b> |

**Note:** Final Bond Sizing will be based on market conditions at pricing. The amounts represented in this report represent not-to-exceed parameters and the final amount is subject to change.

**\*JOBS**

|                     |  |                     |                 |
|---------------------|--|---------------------|-----------------|
| Current employment: | 11,200<br>(2,200 faculty; 9,000 staff) | Projected new jobs: | N/A – See below |
| Jobs retained:      | N/A                                    | Construction jobs:  | N/A – See below |

**\*Note on employment forecasts:** Proceeds of the IFA Series 2013 New Money Bonds will primarily finance the build-out of various projects previously financed with the IFA Series 2012 Bonds. The University has updated its employment forecast previously presented in December 2011 and the University forecasts at least 24 new jobs (detailed below) and a revised forecast of 4,741 construction jobs.

**Jobs Created – Post-Construction**

| <b><u>Project</u></b>                                       | <b><u>Details</u></b>   |
|---|---|
| William Eckhardt Research Center                            | Center will support the hiring of 24 new faculty members over the next decade as well as the future hiring of additional staff members. |
| Laboratory Schools expansion and renovation                 | Expanded capacities enabled by this project will support the future hiring of additional staff.   |
| Adaptive Reuse of 5757 S. University                        | Project will house 10 - 20 visiting scholars annually along with other new faculty and staff.   |
| New Residential Hall  | Project will replace aging building with a larger facility, leading to the expected hiring of additional staff members.                 |
| All other construction, renovation and replacement projects | Certain staff increases may occur due to various smaller projects.  |

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### FINANCING SUMMARY

|                          |   |
|--------------------------|---|
| Security:                | The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University's assets, properties, or funds.  |
| Structure:               | The plan of finance contemplates the public issuance of an amount not-to-exceed \$400 million of tax-exempt debt to be issued in one or more series. Fixed Rate Bonds would be sold based on the University's underlying long-term debt ratings of Aa1/AA (Moody's/S&P). Morgan Stanley has been engaged by the Borrower as Senior Manager. Variable Rate Bonds (to the extent issued) would be sold based on the University's P1/A-1+ (Moody's/S&P) short-term ratings (and likely further backed by a liquidity facility from a financial institution with P1/A-1+ short-term ratings). |
| Interest Rate:           | The University and their financing team will determine interest rate modes and the mix of Fixed Rate Bonds and Variable Rate Bonds after evaluating market conditions and prospective transaction sizing in advance of pricing.   |
| Underlying Debt Ratings: | The University's underlying ratings are: (1) long-term: Aa1/AA (Moody's/S&P) and (2) short-term: P1/A-1+ (Moody's/S&P).   |
| Maturity:                | No later than 2053 (40 years from issuance date; maximum parameter) on any New Money Bonds. Maturity to be determined on any Refunding Bonds.   |
| Estimated Closing Date:  | May 2013  |

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### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be combined with other funds to finance all or a portion of the costs of various educational facilities and used by The University of Chicago (the "**University**" or the "**Borrower**") to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of certain of its facilities constituting "educational facilities," as defined in the Act (the "**Project**"), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of (a) the Illinois Educational Facilities Authority Revenue Bonds, The University of Chicago, Series 2001A, issued in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$2,860,000 (the "**Series 2001A Bonds**"), (b) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2004A, issued in the original aggregate principal amount of \$100,000,000 and currently outstanding in the aggregate principal amount of \$13,625,000 (the "**Series 2004A Bonds**"), (c) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2007, issued in the original aggregate principal amount of \$244,030,000 and currently outstanding in the aggregate principal amount of \$239,500,000 (the "**Series 2007 Bonds**"), and (d) the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of \$500,000,000 (the "**Series 2008B Bonds**" and, collectively with the Series 2001A Bonds, the Series 2004A Bonds and the Series 2007 Bonds, the "**Prior Bonds**"), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion and equipping of certain of the University's facilities constituting "educational facilities," as defined in the Act (collectively with the Project, the "**Financed Properties**"), (ii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Prior Bonds, all as permitted under the Act (collectively referred to as the "**Financing Purposes**").

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### BUSINESS SUMMARY

Description: **The University of Chicago** (the “**University**” or the “**Borrower**”) is a 501(c)(3) organization incorporated under Illinois law. The University is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a fifty-member Board of Trustees (see page 6 for listing).

Description: The University has emphasized both research and teaching from its inception. It has had a major impact on American higher education -- including devising the four-quarter academic year, developing extension courses and programs in the liberal arts for adults, establishing a general education program for undergraduates, initiating a full-time medical school teaching faculty, and establishing the first executive MBA program. The University has a highly respected education department and the University is a nationally recognized leader in both the sciences and social sciences.

At the University, campus and community are interconnected in partnerships that serve both to support the community and to train future policymakers, social workers, artists, and social and political leaders. The University of Chicago Charter School, run by the Center for Urban School Improvement, serves students with four campuses for students in pre-kindergarten through high school. The Mandel Legal Aid Clinic teaches Law School students advocacy skills, professional ethics, and the effect of legal institutions on the poor, while assisting indigent clients.

The University of Chicago’s 211-acre Hyde Park Campus is located eight miles south of downtown Chicago. The Hyde Park Campus, designated a botanic garden in 1997, stretches along both sides of the Midway Plaisance, a broad parkway designed by Frederick Law Olmstead for the city’s South Park System developed in connection with the World’s Columbian Exposition in 1893. The campus is arranged in a series of quadrangles, with a blend of traditional English Gothic and award-winning modern buildings designed by renowned international architects.

Applications to the University’s **Undergraduate College** (the “**College**”) have increased substantially since 2008-2009, which in turn has allowed the University to become more selective.

In 2012-2013, the College received 25,268 applications of which 3,340 were selected (compared to 12,377 applications and 3,454 offers of admission in 2008-2009). Indicative of the College’s increasing selectivity, the mean SAT/ACT scores were 1495/33 for the 2012-2013 academic year, compared to 1412/31 (SAT/ACT) in the 2008-2009 academic year. According to the April 1, 2013 edition of *Crain’s Chicago Business*, the Hyde Park-based school accepted 8.8 percent of the record 30,369 applications it received for the 2013-14 academic year, making entry more selective than several Ivy League institutions (including Cornell University, University of Pennsylvania, Dartmouth College, and Brown University).

The College’s selectivity has increased while undergraduate enrollment has increased from 4,642 students in 2005-2006 to 5,607 in 2012-2013. This continued growth in the undergraduate student body reflects successful implementation of the University’s strategic plan.

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### ECONOMIC DISCLOSURE STATEMENT

Applicant: The University of Chicago, 5801 S. Ellis Avenue, Chicago, IL 60637  
Contact: Lorraine J. Arvin, Associate VP for Finance & Administration and Treasurer  
T: (773) 702-1940; E-mail: ljarvin@uchicago.edu  
Website: [www.uchicago.edu](http://www.uchicago.edu)

Site Locations  
(New Projects): The University’s Hyde Park Campus: The University’s general campus is bordered by 47th Street on the north; Lake Shore Drive on the east; 61st Street on the south; and Cottage Grove Ave. on the west.

Project name: IFA Series 2013 Revenue Bonds and Revenue Refunding Bonds (The University of Chicago Project); to be issued in one or more series

Board

Of Trustees: **Andrew M. Alper, Chair** Chairman, EQA Partners, LP  
**Paul G. Yovovich, Vice Chair** President, Lake Capital  
Sekhar Bahadur Retired Vice Chair of Global Banking, Deutsche Bank  
David G. Booth CEO, Dimensional Fund Advisors, Inc.  
David B. Brooks Op-Ed Columnist, The New York Times Company  
Thomas A. Cole Chairman of the Executive Committee and Partner, Sidley Austin LLP  
E. David Coolidge III Vice Chairman, William Blair & Company, L.L.C.  
James S. Crown President, Henry Crown and Company  
Katharine P. Darrow Retired Senior Vice President, The New York Times Company  
Daniel L. Doctoroff CEO and President, Bloomberg LP  
Brady W. Dougan Credit Suisse Group AG  
Craig J. Duchossois CEO, The Duchossois Group, Inc.  
James S. Frank President and CEO, Wheels, Inc.  
Jack W. Fuller Retired President, Tribune Publishing Company  
Timothy M. George Managing Director, Lazard Ltd.  
Rodney L. Goldstein Chairman and Managing Director, Frontenac Company  
Mary Louise Gorno Managing Director, Hudson Global, Inc.  
Kathryn C. Gould Co-Founder, Foundation Capital  
Sanford J. Grossman Chairman and CEO, QFS Asset Management, L.P.  
King W. Harris Chairman, Harris Holdings, Inc.  
Kenneth M. Jacobs Chairman and Chief Executive Officer, Lazard LLC  
Karen L. Katen Senior Advisor, Essex Woodlands Health Ventures  
Dennis J. Keller Retired Chairman and CEO, Co-Founder, DeVry Inc.  
Steven A. Kersten President, Water Saver Faucet Company  
James M. Kilts, Jr. Founding Partner, Centerview Partners  
Michael J. Klingensmith Publisher and CEO, Minneapolis Star Tribune  
Michael L. Klowden President and CEO, Milken Institute  
Robert W. Lane Chairman, Deere & Company  
Charles Ashby Lewis Chairman, Lewis-Sebring Family Foundation  
John Liew Co-Founder, AQR Capital Management  
Peter W. May President and Founding Partner, Trian Partners  
Joseph Neubauer Chairman & CEO, ARAMARK Corporation  
Emily Nicklin Partner, Kirkland & Ellis LLP  
Harvey B. Plotnick Former President and CEO, Paradigm Holdings Inc.  
Michael P. Polsky Founder, President, and CEO, Invenergy, LLC  
Myrtle S. Potter Chief Executive Officer, Myrtle Potter and Company LLC  
Thomas J. Pritzker Chairman, Hyatt Hotels Corporation  
John W. Rogers, Jr. Chairman and CEO, Ariel Investments, LLC  
Andrew M. Rosenfield Managing Partner, Guggenheim Partners  
David M. Rubenstein Co-Founder and Co-CEO, The Carlyle Group  
Alvaro J. Saieh President, CorpGroup Holding  
Steve G. Stevanovich Chairman and President, SGS Group of Companies  
Elizabeth M. Thompson Burr Ridge, IL  
Mary A. Tolan Founder and CEO, Accretive Health  
Byron D. Trott Managing Partner, BDT Capital Partners  
Marshall I. Wais, Jr. Chief Executive Officer, Marwais International LLC  
Gregory Westin Wendt Senior Vice President, Capital Research Company  
Paula Wolff Senior Executive, Metropolis Strategies  
Francis T.F. Yuen Chairman, Ortus Capital Management Ltd.  
Robert J. Zimmer President, The University of Chicago

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**PROFESSIONAL & FINANCIAL**

|                             |   |                   |                  |
|-----------------------------|---|-------------------|------------------|
| Borrower's Counsel:         | Schiff Hardin LLP                       | Chicago, IL       | Bruce Weisenthal |
| Auditor:                    | KPMG LLP                                | Chicago, IL       | David Seid       |
| Borrower Financial Advisor: | Prager & Co., LLC                       | San Francisco, CA | Susan Fitzgerald |
|                             |   | New York, NY      | Mary Jane Darby  |
| Bond Counsel:               | Chapman & Cutler, LLP                   | Chicago, IL       | Nancy Burke      |
| Underwriter/Senior Manager: | Morgan Stanley & Co.                    | Chicago, IL       | Bill Mack        |
| Co-Senior Manager:          | JPMorgan Securities                     | Chicago, IL       |                  |
| Co-Managers:                | Loop Capital Markets, LLC               | Chicago, IL       |                  |
|                             | Cabrera Capital Markets, LLC            | Chicago, IL       |                  |
|                             | Northern Trust Securities, Inc.         | Chicago, IL       |                  |
| Underwriter's Counsel:      | Pugh Jones                              | Chicago, IL       | Lorraine Tyson   |
| Trustee:                    | Wells Fargo Bank, N.A.                  | Chicago, IL       | Gail Klewin      |
| Architects:                 | HOK                                     | Chicago, IL       |                  |
|                             | James Carpenter Design Associates, Inc. | New York, NY      |                  |
|                             | FGM/Valerio Dewalt Train Associates     | Chicago, IL       |                  |
|                             | Ann Beha Architects                     | Boston, MA        |                  |
| Construction Managers:      | W.E. O'Neill Construction Company       | Chicago, IL       |                  |
|                             | Lend Lease (US) Construction, Inc.      | Chicago, IL       |                  |
| IFA Counsel:                | Charity & Associates, P.C.              | Chicago, IL       | Alan M. Bell     |
| IFA Financial Advisor:      | Acacia Financial Group, Inc.            | Chicago, IL       | Courtney Shea    |

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**LEGISLATIVE DISTRICTS**

|                |                         |  |
|----------------|-------------------------|--|
|                | <b>Hyde Park Campus</b> |  |
| Congressional: | 1                       |  |
| State Senate:  | 13                      |  |
| State House:   | 25                      |  |

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**April 9, 2013**      **\$29,500,000**  
**Concordia University**

|                             |   |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
|-----------------------------|---|--------------------|-----------------------------|--------------|--------------------|---------------------|---------------------|------------------|-----------------------------|--|--|--------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| <b>REQUEST</b>              | <p><b>Purpose:</b> Bond proceeds will be used for the purposes of (and including but not limited to) providing <b>Concordia University</b> (the “<b>University</b>” or the “<b>Borrower</b>”) with all or a portion of the funds necessary to (i) refund a portion of the outstanding Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Concordia University, Series 2009, (ii) fund a debt service reserve fund if deemed necessary or desirable by the Borrower and (iii) pay certain costs relating to the issuance of the Bonds if deemed necessary or desirable by the Borrower, all as permitted under the Act (collectively, the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Refunding Bonds</p> <p><b>Extraordinary Conditions:</b> None</p>  |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>BOARD ACTIONS</b>        | Preliminary Bond Resolution   |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>MATERIAL CHANGES</b>     | Not applicable. This is the first time this matter has been presented for consideration.  |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>JOB DATA</b>             | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">631</td> <td style="width: 35%;">Current jobs</td> <td style="width: 15%;">N/A</td> <td style="width: 35%;">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>  | 631                | Current jobs                | N/A          | New jobs projected | N/A                 | Retained jobs       | N/A              | Construction jobs projected |  |  |                    |                |              |                            |              |                            |
| 631                         | Current jobs  | N/A                | New jobs projected          |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| N/A                         | Retained jobs   | N/A                | Construction jobs projected |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>BORROWER DESCRIPTION</b> | <ul style="list-style-type: none"> <li>● Type of entity: Private University</li> <li>● Location: River Forest/ Cook County/ Northeast Region</li> <li>● When it was established: Concordia University was founded in 1864 in Addison, Illinois as a private teachers college (originally, the Addison Lutheran Teachers Seminary). The University relocated to River Forest in 1913.</li> <li>● Concordia University is an Illinois not for profit corporation, and is a private liberal arts educational institution located in River Forest, Illinois, and operates under the auspices of <b>The Lutheran Church-Missouri Synod</b> (the “<b>Synod</b>”), a Missouri not for profit corporation headquartered in St. Louis, Missouri which has a 501(c)(3) Determination Letter from the Internal Revenue Service. The University is one of ten colleges and universities that are part of the Missouri Synod’s nationwide system.</li> <li>● Concordia’s mission is to equip its students to serve and lead with integrity, creativity, competence, and compassion in a diverse, interconnected, and increasingly urbanized world.</li> <li>● The Series 2013 Bonds will enable the University to convert from a Bank Letter of Credit structure to a Bank Direct Purchase structure.</li> </ul> |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>CREDIT INDICATORS</b>    | <ul style="list-style-type: none"> <li>● Bonds will be purchased directly by FirstMerit Bank.</li> <li>● The University is a non-rated entity. Given the anticipated Bank Direct Purchase structure, the Borrower does not contemplate applying for a debt rating from a rating agency.</li> </ul>  |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>PROPOSED STRUCTURE</b>   | Bonds will be purchased directly by FirstMerit Bank at an interest rate to be determined.<br>Maturity: 2039 (proposed; same as IFA Series 2009 Bonds)   |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>SOURCES AND USES</b>     | <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td style="width: 15%;">IFA Refunding Bonds</td> <td style="width: 35%; text-align: right;"><u>\$29,500,000</u></td> <td style="width: 15%;">Refunding Escrow</td> <td style="width: 35%; text-align: right;">\$29,100,000</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><u>\$29,500,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$29,500,000</u></b></td> </tr> </table>  | <b>Sources:</b>    |                             | <b>Uses:</b> |                    | IFA Refunding Bonds | <u>\$29,500,000</u> | Refunding Escrow | \$29,100,000                |  |  | Costs of Issuance: | <u>400,000</u> | <b>Total</b> | <b><u>\$29,500,000</u></b> | <b>Total</b> | <b><u>\$29,500,000</u></b> |
| <b>Sources:</b>             |   | <b>Uses:</b>       |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| IFA Refunding Bonds         | <u>\$29,500,000</u>   | Refunding Escrow   | \$29,100,000                |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
|                             |   | Costs of Issuance: | <u>400,000</u>              |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>Total</b>                | <b><u>\$29,500,000</u></b>  | <b>Total</b>       | <b><u>\$29,500,000</u></b>  |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |
| <b>RECOMMENDATION</b>       | Credit Review Committee recommends approval.  |                    |                             |              |                    |                     |                     |                  |                             |  |  |                    |                |              |                            |              |                            |

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 April 9, 2013**

**Project: Concordia University**

**STATISTICS**

|                 |                         |                |                                    |
|-----------------|-------------------------|----------------|------------------------------------|
| Project Number: | E-PC-TE-CD-8617         | Amount:        | \$29,500,000 (not to exceed)       |
| Type:           | 501(c)(3) Revenue Bonds | IFA Staff:     | Rich Frampton and Brad R. Fletcher |
| Location:       | River Forest            | County/Region: | Cook/Northeast                     |

**BOARD ACTION**

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

**VOTING RECORD**

Not applicable. This is the first time this matter has been presented for consideration.

**PURPOSE**

Bond proceeds will be used for the purposes of (and including but not limited to) providing **Concordia University** (the “**University**” or the “**Borrower**”) with all or a portion of the funds necessary to (i) refund a portion of the outstanding Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Concordia University, Series 2009, (ii) fund a debt service reserve fund if deemed necessary or desirable by the Borrower, and (iii) pay certain costs relating to the issuance of the Bond if deemed necessary or desirable by the Borrower, all as permitted under the Act (collectively, the “Financing Purposes”).

**IFA PROGRAM AND CONTRIBUTION**

IFA will convey federal tax-exempt status on interest paid to investors on the Bonds, thereby resulting in a lower interest rate that will be passed through to the Borrower.

**VOLUME CAP**

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

**JOBS**

|                     |                                 |                     |     |
|---------------------|---------------------------------|---------------------|-----|
| Current employment: | 631 FT (+ 757 PT and temporary) | Projected new jobs: | N/A |
| Jobs retained:      | N/A                             | Construction jobs:  | N/A |

**ESTIMATED SOURCES AND USES OF FUNDS**

|                     |                            |                   |                            |
|---------------------|----------------------------|-------------------|----------------------------|
| <b>Sources:</b>     |                            | <b>Uses:</b>      |                            |
| IFA Refunding Bonds | <u>\$29,500,000</u>        | Refunding Escrow  | \$29,100,000               |
|                     |                            | Costs of Issuance | <u>400,000</u>             |
| <b>Total:</b>       | <b><u>\$29,500,000</u></b> | <b>Total:</b>     | <b><u>\$29,500,000</u></b> |

**FINANCING SUMMARY/STRUCTURE**

|                         |  |
|-------------------------|--|
| Security:               | <b>FirstMerit Bank</b> (the “ <b>Bank</b> ”) will be secured by a general obligation of the University. Accordingly, the Bank will not be secured by a mortgage or security interest on any of the University’s assets, properties or funds. |
| Structure:              | Bank Direct Purchase   |
| Interest Rate Mode:     | Fixed for an initial term of 5 years and then reset periodically thereafter.   |
| Final Maturity Date:    | 2039 (preliminary, subject to change)  |
| Rating:                 | Not applicable since the Bonds will be purchased directly by a commercial bank (i.e., FirstMerit Bank) that will serve as the University’s secured lender (as well as Bond Investor)   |
| Estimated Closing Date: | May or June 2013   |



Project

Rationale: The refinancing of the IFA Series 2009 Bonds will (i) eliminate Bank Letter of Credit (“**LOC**”) renewal risk, (ii) eliminate LOC re-pricing risk attributable to future scheduled capital requirements, and (iii) establish fixed interest rate for the next five years on the existing bonds.

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**PROJECT SUMMARY**

Bond proceeds will be used for the purposes of (and including but not limited to) providing **Concordia University** (the “**University**” or the “**Borrower**”) with all or a portion of the funds necessary to (i) refund a portion of the outstanding Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Concordia University, Series 2009, (ii) fund a debt service reserve fund if deemed necessary or desirable by the Borrower, and (iii) pay certain costs relating to the issuance of the Bond if deemed necessary or desirable by the Borrower, all as permitted under the Act (collectively, the “**Financing Purposes**”).

Proceeds of the Series 2009 Bonds were used to finance various campus improvements at the University’s main campus located at 7400 W. Augusta Street, River Forest, Illinois 60305 and to refinance the outstanding balance of the University’s IEFA Series 2001 Bonds.

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**BUSINESS SUMMARY**

Background: Concordia University (“**Concordia**”, the “**University**”, or the “**Borrower**”) was originally incorporated under Illinois law as a not-for-profit corporation in 1915 (as “**Concordia Teachers College**”) and is also an organization described in Section 501(c)(3) of the Internal Revenue Service by virtue of a group ruling issued by the Internal Revenue Service to **The Lutheran Church-Missouri Synod** (the “**Synod**”). (*Since 2006, the University has also done business as “Concordia University Chicago”.*)

Discussion: Concordia University was established in 1864 in Addison, Illinois as the Addison Lutheran Teachers Seminary and relocated to River Forest in 1913. The University is a private co-educational institution focusing on teacher education and the liberal arts. Concordia’s mission is to equip its students to serve and lead with integrity, creativity, competence, and compassion in a diverse, interconnected, and increasingly urbanized world.

The University is located on an approximately 40-acre campus approximately 10 miles west of the Chicago Loop.

Accreditations:

1. Higher Learning Commission, Member, North Central Association
2. National Council for Accreditation of Teacher Education
3. Council for Accreditation of Counseling and Related Educational Programs, and
4. National Association of Schools of Music.

Students can obtain Bachelor’s degrees in many liberal arts disciplines, and Masters and Ph.D. Degrees in Education and Teacher Leadership. The undergraduate student-to-faculty ratio is 17:1 with an average class size of 20. Enrollment for the 2012-2013 academic year as of the Fall 2012 Semester was 5,454, comprised of 1,515 (1,156 in 2009) undergraduate and 3,939 (3,054 in 2009) graduate students (compared to a total of 4,210 students in 2009-2010).

According to the University’s website, 100% of full-time undergraduate students receive some type of financial assistance based on need, merit, background, and/or academic program. In 2012-2013, the University awarded \$15.5 million in institutional merit, scholarships, and grant awards to students.

The University’s 2012-2013 undergraduate student body represents 20 states and 12 countries. Approximately 68.0% of freshmen live on campus in one of the six residence halls.

The University’s Board of Regents consists of 17 members, five of whom are elected by the Synod. A list of Board members can be found on Page 4 of this report.

The Synod: Five not-for-profit corporate and trust entities operate under the auspices of the Synod including:

1. Lutheran Church Extension Fund (“LCEF”)
2. Concordia Publishing House (“CPH”)
3. The Lutheran Church-Missouri Synod Foundation (“LCMS”)
4. Concordia Plan Services (“CPS”), and
5. Concordia Historical Institute (“CHI”).

The Synod has established several Program and Service Boards to guide and carry out the programmatic activities of the Synod. One of these Boards, **The Board for University Education**, broadly oversees the activities of ten colleges and universities, including Concordia University. Concordia University System, a not for profit corporate entity operating under the auspices of the Synod, carries out the activities and policies of the Synod as it applies to the Synod’s higher education institutions. Thirty-five Synod Districts operate across the United States. The University is located in the Synod’s Northeast District.

**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

|                   |  |
|-------------------|--|
| Applicant         | Concordia University   |
| Project:          | Series 2013 Bonds  |
| Project Location: | 7400 Augusta Street, River Forest (Cook County), Illinois 60305  |
| Contact:          | Mr. Tom Hallett, CFO; (T): 708-209-3350; Email: ( <a href="mailto:tom.hallett@cuchicago.edu">tom.hallett@cuchicago.edu</a> ) |
| Ownership:        | Illinois 501(c)(3) not-for-profit corporation  |
| Board of Regents: | Please see attached listing below (page 4).  |

**PROFESSIONAL & FINANCIAL**

|                           |                                   |                 |                    |
|---------------------------|-----------------------------------|-----------------|--------------------|
| Borrower’s Counsel:       | Spencer Fane Britt & Browne       | St. Louis, MO   | Ed Holderle        |
| Borrower’s Advisor:       | Mickeni LLC                       | Chicago, IL     | Ken Kerzner        |
| Auditor:                  | Grant Thornton LLP                | Chicago, IL     | Tom Brean          |
| Bond Counsel:             | Chapman and Cutler LLP            | Chicago, IL     | Nancy A. Burke     |
| Bank/Bond Purchaser:      | FirstMerit Bank                   | Orland Park, IL | Steven Villate     |
| Bank Counsel:             | To be determined                  |                 |                    |
| Series 2009 Bond Trustee: | Bank of New York                  | Chicago, IL     | Michael Countryman |
| Issuer’s Counsel:         | Requested                         |                 |                    |
| IFA Advisor:              | Public Financial Management, Inc. | Chicago, IL     | Shannon Williams   |

**LEGISLATIVE DISTRICTS**

|                |   |
|----------------|---|
| Congressional: | 7 |
| State Senate:  | 4 |
| State House:   | 7 |

**CONCORDIA UNIVERSITY’S BOARD OF REGENTS: 2012-2013**

|                            |                              |
|----------------------------|------------------------------|
| Dr. Thomas M. Buck         | Mr. Terry E. Pfortmiller     |
| Mr. Jeffrey Blackman       | Mr. Robert Rauscher          |
| Dr. Elizabeth Duda         | The Rev. Gerald Schalk       |
| Mrs. Joanne Dull           | Mr. Leopold (Lee) A. Schmidt |
| Mr. Kirk Farney            | Dr. Mark M. Silzer           |
| The Rev. Dan Gilbert       | Mark O. Stern                |
| Mr. James Grebe            | The Rev. Kent A. Tibben      |
| Debra Grime, M.D.          | Mr. Robert Wartan            |
| Dr. John F. Johnson        | Rev, William Weedon          |
| Mr. E. Theodore (Ted) Lams |                              |
| Mark P. Muehl              |                              |
| Mr. Chris Nelson           | <b>Consulting Member</b>     |
|                            | Dr. Nancy A. Lass            |

**\$35,000,000**  
**Riverside Health System**

April 9, 2013

| <p><b>REQUEST</b></p>           | <p><b>Purpose:</b> The proceeds will be used by <b>Riverside Health System</b> (“<b>Riverside</b>”, “<b>RHS</b>” or the “<b>Borrower</b>”) to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers’ health care facilities (the “<b>Project</b>”), (ii) advance refund all or a portion of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Riverside Health System), (iii) provide for funded interest during construction of the Project, (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrowers and (v) pay certain expenses incurred in connection with the issuance of the Bonds.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p> |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
|---------------------------------|--|--------------------|-----------------------------|--------------|--------------------|-----------|---------------|--------------|-----------------------------|---------|-------------|------------------|------------|------|--------------------|--------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| <p><b>BOARD ACTIONS</b></p>     | <p>Preliminary Bond Resolution</p>   |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>MATERIAL CHANGES</b></p>  | <p>Not applicable. This is the first time this project is being presented to the Board.</p>  |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>JOB DATA</b></p>          | <table border="0"> <tr> <td>1,872</td> <td>Current jobs</td> <td>75</td> <td>New jobs projected</td> </tr> <tr> <td>1,872</td> <td>Retained jobs</td> <td>200</td> <td>Construction jobs projected</td> </tr> </table>   | 1,872              | Current jobs                | 75           | New jobs projected | 1,872     | Retained jobs | 200          | Construction jobs projected |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| 1,872                           | Current jobs   | 75                 | New jobs projected          |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| 1,872                           | Retained jobs  | 200                | Construction jobs projected |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>DESCRIPTION</b></p>       | <ul style="list-style-type: none"> <li>• Location: Kankakee County</li> <li>• Riverside Health System (“<b>RHS</b>”) is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee.</li> <li>• Included in this Project is the reimbursement for a portion of the cost of constructing a new patient tower that opened in December 2011 and the construction of a new assisted living facility in Bourbonnais, which is scheduled to begin in Spring 2013.</li> </ul>   |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>CREDIT INDICATORS</b></p> | <ul style="list-style-type: none"> <li>• Riverside is currently rated A2 Stable Outlook/A Positive Outlook by Moody’s and S&amp;P</li> </ul>   |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>SECURITY</b></p>          | <ul style="list-style-type: none"> <li>• Secured with a Master Trust Indenture Note</li> </ul>   |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>MATURITY</b></p>          | <ul style="list-style-type: none"> <li>• Bonds will mature no later than November 15, 2043</li> </ul>  |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>SOURCES AND USES</b></p>  | <table border="0"> <thead> <tr> <th colspan="2"><b>Sources:</b></th> <th colspan="2"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td>\$35,000,000</td> <td>Project Fund</td> <td>\$21,680,335</td> </tr> <tr> <td>Premium</td> <td>\$3,560,861</td> <td>Refunding Escrow</td> <td>17,966,026</td> </tr> <tr> <td>DSRF</td> <td><u>\$1,610,500</u></td> <td>Costs of Issuance*</td> <td><u>525,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$40,171,361</u></b></td> <td><b>Total</b></td> <td><b><u>\$40,171,361</u></b></td> </tr> </tbody> </table> <p>*estimated</p>   | <b>Sources:</b>    |                             | <b>Uses:</b> |                    | IFA Bonds | \$35,000,000  | Project Fund | \$21,680,335                | Premium | \$3,560,861 | Refunding Escrow | 17,966,026 | DSRF | <u>\$1,610,500</u> | Costs of Issuance* | <u>525,000</u> | <b>Total</b> | <b><u>\$40,171,361</u></b> | <b>Total</b> | <b><u>\$40,171,361</u></b> |
| <b>Sources:</b>                 |  | <b>Uses:</b>       |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| IFA Bonds                       | \$35,000,000   | Project Fund       | \$21,680,335                |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| Premium                         | \$3,560,861  | Refunding Escrow   | 17,966,026                  |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| DSRF                            | <u>\$1,610,500</u>   | Costs of Issuance* | <u>525,000</u>              |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <b>Total</b>                    | <b><u>\$40,171,361</u></b>   | <b>Total</b>       | <b><u>\$40,171,361</u></b>  |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |
| <p><b>RECOMMENDATION</b></p>    | <p>Credit Committee recommends approval.</p>   |                    |                             |              |                    |           |               |              |                             |         |             |                  |            |      |                    |                    |                |              |                            |              |                            |

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 April 9, 2013**

**Project: Riverside Health System**

**STATISTICS**

|                 |                         |                |                              |
|-----------------|-------------------------|----------------|------------------------------|
| Project Number: | H-HO-TE-CD-8616         | Amount:        | \$35,000,000 (not-to-exceed) |
| Type:           | 501(c)(3) Revenue Bonds | IFA Staff:     | Pam Lenane and Nora O'Brien  |
| Locations:      | Kankakee, Bourbonnais   | County/Region: | Kankakee/Northeast           |

**BOARD ACTION**

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

**VOTING RECORD**

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

**PURPOSE**

The proceeds will be used by **Riverside** to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers' health care facilities (the "**Project**"), (ii) advance refund all or a portion of the outstanding principal amount of the \$66,500,000 Illinois Finance Authority Revenue Bonds, Series 2009 (**Riverside Health System**) (the "**Prior Debt**"), (iii) provide for funded interest during construction of the Project, (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrowers, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

|          |              |                            |       |                  |                            |
|----------|--------------|----------------------------|-------|------------------|----------------------------|
| Sources: | IFA Bonds    | \$35,000,000               | Uses: | Project Fund     | \$21,680,335               |
|          | Premium      | 3,560,861                  |       | Refunding Escrow | 17,966,026                 |
|          | DSRF Release | 1,610,500                  |       | Cost of Issuance | 525,000                    |
|          | <b>Total</b> | <b><u>\$40,171,361</u></b> |       | <b>Total</b>     | <b><u>\$40,171,361</u></b> |

**JOBS**

|                     |            |                     |          |
|---------------------|------------|---------------------|----------|
| Current employment: | 1,872 FTEs | Projected new jobs: | 75 FTEs  |
| Jobs retained:      | 1,872 FTEs | Construction jobs:  | 200 FTEs |

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### FINANCING SUMMARY

|                         |   |
|-------------------------|---|
| Credit Enhancement:     | None  |
| Structure:              | Fixed Rate Debt to be issued in a public offering.  |
| Interest Rate:          | Estimated at approximately 4.0% to 5.0%, dependent on market conditions on the day of pricing |
| Interest Rate Modes:    | Fixed Rate Debt   |
| Underlying Ratings:     | Moody's - A2 (Stable Outlook); S&P - A (Positive Outlook)                                     |
| Maturity:               | No later than November 15, 2043   |
| Estimated Closing Date: | May 31, 2013  |

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### PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds will be used by **Riverside** to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers' health care facilities (the "**Project**"), (ii) advance refund all or a portion of the outstanding principal amount of the \$66,500,000 Illinois Finance Authority Revenue Bonds, Series 2009 (**Riverside Health System**) (the "**Prior Debt**"), (iii) provide for funded interest during construction of the Project, (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrowers, and (v) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of refunding the Prior Debt, all as permitted by the Act (collectively, the "**Financing Purposes**").

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### BUSINESS SUMMARY

**Riverside Health System** ("**RHS**") is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee. RHS is the sole corporate member of **Riverside Medical Center** ("**Medical Center**"), **Oakside Corporation** ("**Oakside**"), **Butterfield Service Corporation** ("**Butterfield**") and **Riverside Senior Living Center** ("**Living Center**"). **Riverside Medical Center Foundation** (the "**Foundation**") is a not-for profit organization serving in an agency capacity by holding and managing certain investment assets contributed for the benefit of the Medical Center. All of these entities except for Butterfield Service Corporation are Illinois not-for-profit corporations and are organized as described under Section 501(c)(3) of the Internal Revenue Code. Butterfield is an Illinois business corporation.

In 1989, RHS, the Medical Center and Oakside became the initial members of an obligated group (the "**Obligated Group**") established under a Master Trust Indenture dated as of December 15, 1989, as amended and supplemented from time to time, among the members of the Obligated Group and The Bank Of New York Mellon Trust Company, N.A., successor to Bank One, National Association, as Master Trustee. Living Center became a member of the Obligated Group in 1990. Butterfield and the Foundation are not members of the Obligated Group.

- The Medical Center owns and operates a general acute care hospital in Kankakee, IL, which is licensed for 325 beds, of which 267 beds are currently staffed. In addition to the main hospital facility, the Medical Center operates the Resolve Center in Manteno, Illinois, which houses an 18-bed licensed inpatient substance abuse program and associated outpatient services. The Medical Center also operates Riverside Ambulance which provides ambulance service to the Medical Center's primary service area from six remote locations in Momence, Kankakee, St. Anne, Herscher, Limestone, and Ashkum. Riverside Ambulance is also responsible for 16 communities through its Emergency Medical Service System. In addition, the Medical Center operates multiple community, primary and specialty health centers located in Kankakee, Bourbonnais, Manteno, Monee, Momence, Hopkins Park, Watseka, Wilmington, Peotone and Coal City.
- The Medical Center also owns the Atrium Building in Bradley, Illinois which provides medical office space, space for a joint venture single-specialty ambulatory surgery center, and industrial medicine services. Located in Bourbonnais and owned by the Medical Center is the Medical Plaza, a comprehensive

ambulatory campus which includes radiation therapy, diagnostic imaging, ambulatory surgery, and physician office space. Located in Coal City and owned by the Medical Center is the West Campus, consisting of a state of the art diagnostic imaging center, and physician office complex.

- In 2011, the Medical Center opened a new multi-speciality physician and cancer infusion center in its southern market located in Watseka, Illinois. The facility provides diagnostic services including lab and CT. In December of 2012 the Medical Center expanded services at the Watseka Center to include physical therapy, additional radiology, a two suite sleep center, primary care physicians, and mid-level providers.
- Oakside operates the 70,000 square foot Riverside Health Fitness Center located in Bourbonnais, Illinois. Additionally, Oakside operates a community counseling program, two outreach clinics – Kankakee and Wilmington, a commercial pharmacy, a health equipment sales and leasing program and supports the new business activities of other affiliates.
- Living Center was incorporated in 1989 and owns and operates a senior living community that includes 90 independent living apartments known as Westwood Oaks, 96 assisted living apartments known as Butterfield Court, 18 ranch style family homes for seniors known as Westwood Estates and a 160-bed nursing facility. The senior living community is located directly across from the Medical Center in Kankakee and was constructed in phases beginning in 1990.
- There are no activities currently operated by Butterfield.

The **Riverside HealthCare Foundation** (“RHCF”) raises funds for RHS and its affiliates. From 2009 to 2011 the RHCF had total revenues of \$2.1 million and provided \$2.1 million in support of programs and initiatives for the Medical Center including over \$1.0 million in support of nursing education through scholarships. The Foundation had assets of \$14.0 million as of December 31, 2012.

**Project Rationale:** The Project will reimburse RHS for funds used to increase its capital assets over the last 18 months. Such funds will increase RHS’ financial flexibility and allow it to then fund from operating cash flow other projects as necessary. RHS will also use a portion of the funds for the construction of a new assisted living facility to be constructed in Bourbonnais.

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#### ECONOMIC DISCLOSURE STATEMENT

|               |  |
|---------------|--|
| Applicant:    | Riverside HealthCare   |
| Site Address: | Riverside Medical Center<br>350 N. Wall Street<br>Kankakee, IL 60901 |
| Contact:      | Bill Douglas<br>Senior Vice President, Chief Financial Officer       |
| Website:      | <a href="http://www.RiversideMC.net">www.RiversideMC.net</a>         |
| Project name: | Riverside Health System (Series 2013)                                |
| Organization: | 501(c)(3) Not-for-Profit Corporation                                 |
| State:        | Illinois   |

Ownership/2013 Board Members (501(c)(3)):

Connie Ashline, *Chairman*  
Jerald Hoekstra, *Vice Chairman*  
Philip Kambic, *President*  
Bill Douglas, *Treasurer*  
J Edgar Lambert, *Secretary*  
Pamela Hull, *Assistant Secretary*  
Harry Bond  
Larry Goodman  
Patrick Martin  
Renuka Ramakrishna, M.D.  
Karen Reid  
Jaymie Simmon  
Gary Wright

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**PROFESSIONAL & FINANCIAL**

|                        |                              |         |                  |
|------------------------|------------------------------|---------|------------------|
| Borrower's Counsel:    | Katten Muchin Rosenman LLP   | Chicago | Janet Hoffman    |
| Accountant:            | KPMG                         | Chicago | Darryl Buikema   |
| Bond Counsel:          | Jones Day LLP                | Chicago | Michael Mitchell |
| Bond Underwriter:      | Barclays Capital Inc.        | Chicago | Jay Sterns       |
| Underwriter's Counsel: | SNR Denton                   | Chicago | Katherine Ashton |
| Bond Trustee:          | BNY Mellon Trust Company     |         |                  |
| Issuer's Counsel:      | Pugh Jones & Johnson, P.C.   | Chicago | Lorraine Tyson   |
| Issuer's Advisor:      | Acacia Financial Group, Inc. | Chicago | Courtney Shea    |

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**LEGISLATIVE DISTRICTS**

Congressional: 11  
State Senate: 40  
State House: 79

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**SERVICE AREA**

The primary service area is defined as Kankakee County. The secondary service area consists of portions of Will, Iroquois, Ford, Grundy, and Livingston Counties.

**\$450,000,000**

**April 9, 2013**

**Rehabilitation Institute of Chicago**

| <b>REQUEST</b>                                  | <p><b>Purpose:</b> The proceeds will be used by <b>Rehabilitation Institute of Chicago</b> (“<b>RIC</b>” or the “<b>Borrower</b>”) to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrower’s health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 17 floors, a seven-floor parking garage, and three floors of medical office space (the “<b>Project</b>”), (ii) refinance all or a portion the <b>Illinois Educational Facilities Authority</b> Commercial Paper Revenue Notes (<b>Pooled Financing Program</b>), (iii) refund all or a portion of the <b>Illinois Finance Authority</b> Variable Rate Demand Revenue Bonds (<b>Series 2009A, 2009B and 2009C</b>), (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower, (v) fund working capital, if deemed necessary or advisable by the Authority or the Borrower, (vi) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by Borrower, and (vii) pay certain expenses incurred in connection with the issuance of the Bonds, the refinancing of the Commercial Paper and the refunding of the Series 2009 Bonds.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p> |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
|---|--|----------------------|-----------------------------|--------------|--------------------|--------------|---------------|----------------|-----------------------------|---------------------------|------------|-------------|-------------|--|--------------------|----------------------|------------|--|--|----------------|-------------------|--------------|-----------------------------|--------------|-----------------------------|
| <b>BOARD ACTIONS</b>                            | Preliminary Bond Resolution  |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>MATERIAL CHANGES</b>                         | Not applicable. This is the first time this project is being presented to the Board.   |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>JOB DATA</b>                                 | <table> <tr> <td>1,359 (FTEs)</td> <td>Current jobs</td> <td>330 (FTEs)</td> <td>New jobs projected</td> </tr> <tr> <td>1,359 (FTEs)</td> <td>Retained jobs</td> <td>1,460</td> <td>Construction jobs projected</td> </tr> </table>  | 1,359 (FTEs)         | Current jobs                | 330 (FTEs)   | New jobs projected | 1,359 (FTEs) | Retained jobs | 1,460          | Construction jobs projected |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| 1,359 (FTEs)                                    | Current jobs   | 330 (FTEs)           | New jobs projected          |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| 1,359 (FTEs)                                    | Retained jobs  | 1,460                | Construction jobs projected |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>DESCRIPTION</b>                              | <ul style="list-style-type: none"> <li>• Location (Chicago/ Cook County/ Northeast Region)</li> <li>• RIC is planning to construct a 27-level building to house a 242-bed hospital located at 630 N. McClurg Court.</li> <li>• Project costs are expected to total approximately \$550 million. Philanthropy, RIC cash from investments and operations, and the sale of RIC’s existing hospital building will also contribute to financing total development cost.</li> </ul>  |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>CREDIT INDICATORS AND PROPOSED STRUCTURE</b> | <ul style="list-style-type: none"> <li>• RIC is in the process of obtaining long-term credit ratings.</li> <li>• The plan of finance contemplates a combination of fixed and variable rate debt issued publicly and private bank placements.</li> </ul>  |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>SECURITY</b>                                 | <ul style="list-style-type: none"> <li>• The Bonds are expected to be secured by an obligation of Rehabilitation Institute of Chicago, the sole member of the Obligated Group, under a Master Trust Indenture. Such obligation will include a pledge of revenues.</li> </ul>   |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>MATURITY</b>                                 | <ul style="list-style-type: none"> <li>• Bonds will mature no later than 40 years</li> </ul>   |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>SOURCES AND USES</b>                         | <table> <thead> <tr> <th colspan="2"><b>Sources:</b></th> <th colspan="2"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td>\$450,000,000</td> <td>Building Costs</td> <td>\$550,000,000</td> </tr> <tr> <td>Sale of Existing Hospital</td> <td>40,000,000</td> <td>Refinancing</td> <td>110,405,000</td> </tr> <tr> <td>Capital Campaign (through 2016) and RIC Cash</td> <td><u>220,405,000</u></td> <td>Capitalized Interest</td> <td>40,000,000</td> </tr> <tr> <td></td> <td></td> <td>Issuance Costs</td> <td><u>10,000,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$710,405,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$710,405,000</u></b></td> </tr> </tbody> </table>   | <b>Sources:</b>      |                             | <b>Uses:</b> |                    | IFA Bonds    | \$450,000,000 | Building Costs | \$550,000,000               | Sale of Existing Hospital | 40,000,000 | Refinancing | 110,405,000 | Capital Campaign (through 2016) and RIC Cash | <u>220,405,000</u> | Capitalized Interest | 40,000,000 |  |  | Issuance Costs | <u>10,000,000</u> | <b>Total</b> | <b><u>\$710,405,000</u></b> | <b>Total</b> | <b><u>\$710,405,000</u></b> |
| <b>Sources:</b>                                 |  | <b>Uses:</b>         |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| IFA Bonds                                       | \$450,000,000  | Building Costs       | \$550,000,000               |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| Sale of Existing Hospital                       | 40,000,000   | Refinancing          | 110,405,000                 |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| Capital Campaign (through 2016) and RIC Cash    | <u>220,405,000</u>   | Capitalized Interest | 40,000,000                  |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
|   |  | Issuance Costs       | <u>10,000,000</u>           |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>Total</b>                                    | <b><u>\$710,405,000</u></b>  | <b>Total</b>         | <b><u>\$710,405,000</u></b> |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |
| <b>RECOMMENDATION</b>                           | Credit Committee recommends approval.  |                      |                             |              |                    |              |               |                |                             |                           |            |             |             |  |                    |                      |            |  |  |                |                   |              |                             |              |                             |



**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 April 9, 2013**

**Project: Rehabilitation Institute of Chicago**

**STATISTICS**

|                 |                         |                |                               |
|-----------------|-------------------------|----------------|-------------------------------|
| Project Number: | H-HO-TE-CD-8615         | Amount:        | \$450,000,000 (not-to-exceed) |
| Type:           | 501(c)(3) Revenue Bonds | IFA Staff:     | Pam Lenane and Nora O'Brien   |
| Location:       | Chicago                 | County/Region: | Cook/Northeast                |

**BOARD ACTION**

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

**VOTING RECORD**

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

**PURPOSE**

Bond proceeds will be used by **RIC** to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrower's health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 17 floors, a seven-floor parking garage and three floors of medical office space (the "**Project**"), (ii) refinance all or a portion the **Illinois Educational Facilities Authority** Commercial Paper Revenue Notes (**Pooled Financing Program**), (iii) refund all or a portion of the **Illinois Finance Authority** Variable Rate Demand Revenue Bonds (**Series 2009A, 2009B and 2009C**), (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower, (v) fund working capital, if deemed necessary or advisable by the Authority or the Borrower, (vi) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Authority or the Borrower, and (vii) pay certain expenses incurred in connection with the issuance of the Bonds, the refinancing of the Commercial Paper and the refunding of the Series 2009 Bonds.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

|              |  |                             |              |                      |                             |
|--------------|--|-----------------------------|--------------|----------------------|-----------------------------|
| Sources:     | IFA Bonds                                    | \$450,000,000               | Uses:        | Building Costs       | \$550,000,000               |
|              | Sale of Existing Hospital                    | 40,000,000                  |              | Refinancing          | 110,405,000                 |
|              | Capital Campaign (through 2016) and RIC Cash | <u>220,405,000</u>          |              | Capitalized Interest | 40,000,000                  |
|              |  |                             |              | Issuance Costs       | <u>10,000,000</u>           |
| <b>Total</b> |  | <b><u>\$710,405,000</u></b> | <b>Total</b> |                      | <b><u>\$710,405,000</u></b> |

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**JOBS**

|                     |              |                     |            |
|---------------------|--------------|---------------------|------------|
| Current employment: | 1,359 (FTEs) | Projected new jobs: | 330 (FTEs) |
| Jobs retained:      | 1,359 (FTEs) | Construction jobs:  | 1,460      |

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**FINANCING SUMMARY**

Credit Enhancement: The Bonds are expected to be secured by an obligation of Rehabilitation Institute of Chicago, the sole member of the Obligated Group, under a Master Trust Indenture. Such obligation will include a pledge of revenues.

Structure: The plan of finance contemplates a combination of fixed and variable rate debt. The fixed rate debt will be publicly sold and constitute approximately \$100-\$150 million of the total issuance. The remaining debt is expected to be variable rate bonds, likely a combination of bonds issued publicly and private bank placements.

Interest Rate: TBD based on market conditions

Interest Rate Modes: Fixed and Variable

Underlying Ratings: RIC is in the process of obtaining long-term credit ratings

Maturity: No later than 2053

Estimated Closing Date: June 20, 2013

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

Bond proceeds will be used by RIC to: (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrower's health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 17 floors, a seven-floor parking garage and three floors of medical office space (the "**Project**"); (ii) refinance all or a portion of a loan by the Authority from the proceeds of the **Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program)** (the "**Commercial Paper Notes**"); (iii) refund all or a portion of the \$22,765,000 original aggregate principal amount **Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009A (Rehabilitation Institute of Chicago)** (the "**Series 2009A Bonds**"); (iv) refund all or a portion of the \$52,700,000 original aggregate principal amount **Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009B (Rehabilitation Institute of Chicago)** (the "**Series 2009B Bonds**"); (v) refund all or a portion of the \$15,210,000 original aggregate principal amount **Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009C (Rehabilitation Institute of Chicago)** (the "**Series 2009C Bonds**" and, together with the Series 2009A Bonds and the Series 2009B Bonds, the "**Series 2009 Bonds**"); (vi) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; (vii) fund working capital, if deemed necessary or advisable by the Authority or the Borrower; (viii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; and (ix) pay certain expenses incurred in connection with the issuance of the Bonds, the refinancing of the Commercial Paper and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

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### BUSINESS SUMMARY

|                          |   |
|--------------------------|---|
| Description of Business: | The <b>Rehabilitation Institute of Chicago</b> (“ <b>RIC</b> ” or the “ <b>Borrower</b> ”) is the sole member of the Obligated Group. RIC’s mission is to provide for quality programs in patient care, education and research and to strive for the fullest assimilation and acceptance of the physically disabled in the community. It operates a health care system specializing in providing comprehensive rehabilitation services to the physically disabled through an array of diagnostic and therapeutic services including physical, occupational and speech therapies. RIC operates a 182-bed hospital and outpatient facility located in downtown Chicago near the medical center campus of Northwestern University as well as a number of other non-hospital facilities in the Chicago metropolitan area. These facilities provide various day rehabilitation, outpatient, vocational and recreational care and activities. |
| Project Rationale:       | In order to continue to effectively support RIC’s mission and manage capacity constraints, RIC leadership determined that a replacement hospital was needed. This determination was driven by several factors, including: an aging current facility built almost 40 years ago that is no longer effective to meet current rehabilitation standards, the necessity to consistently turn away patients due to limited bed availability, and the difficulty of having to effectively manage operations with occupancy over 90%. RIC is planning to construct a 27-level building to house a 242-bed hospital located at 630 N. McClurg Court, two blocks south of the current campus. The existing 182-bed hospital, located at 345 East Superior Street will be discontinued upon the completion of the new hospital.   |
| Timing:                  | Closing is expected to be June 20, 2013. RIC expects to break ground and start construction on July 1, 2013 and anticipates that the replacement hospital will be completed and open in the fourth quarter of calendar year 2016.   |

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### ECONOMIC DISCLOSURE STATEMENT

|  |   |
|--|---|
| Applicant:                                   | Rehabilitation Institute of Chicago               |
| Site Address:                                | 345 East Superior Street, Chicago, Illinois 60611 |
| Contact:                                     | Edward Case, Chief Financial Officer              |
| Website:                                     | www.ric.org                                       |
| Project name:                                | Rehabilitation Institute of Chicago               |
| Organization:                                | 501(c)(3) Not-for-Profit Corporation              |
| State:                                       | Illinois  |
| Ownership/2012-13 Board Members (501(c)(3)): |   |

M. Judy Reyes, *Chair*  
Wesley M. Dixon Jr., *Vice Chair*  
Mike P. Krasny, *Vice Chair*  
Thomas A. Reynolds III, *Vice Chair*  
Joanne C. Smith, *President & CEO*  
Wayne R. Andersen  
William Cernugel  
Daniel D. Dolan Jr.  
Michael L. Keiser  
William E. Lowry Jr.  
David D. Olson  
Mark Stephan  
William S. Wardrop Jr.  
Linda S. Wolf

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**PROFESSIONAL & FINANCIAL**

|                        |                                   |           |                  |
|------------------------|-----------------------------------|-----------|------------------|
| Borrower's Counsel:    | SNR Denton LLP                    | Chicago   | Mary Wilson      |
| Financial Advisor:     | Hammond Hanlon Camp LLC           | San Diego | Bill Hanlon      |
| Bond Counsel           | Jones Day                         | Chicago   | John Bibby       |
| Auditor:               | Deloitte & Touche                 | Chicago   | Don O'Callaghan  |
| Underwriters:          | J.P. Morgan Securities            | Chicago   | Timothy Wons     |
|                        | Goldman Sachs                     | New York  | Rondy Jennings   |
| Underwriters' Counsel: | Ungaretti & Harris                | Chicago   | Thomas Fahey     |
| IFA Counsel:           | Pugh, Jones & Johnson, P.C.       | Chicago   | Lorraine Tyson   |
| IFA Advisor:           | Public Financial Management, Inc. | Chicago   | Shannon Williams |

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**LEGISLATIVE DISTRICTS**

|                |    |
|----------------|----|
| Congressional: | 7  |
| State Senate:  | 13 |
| State House:   | 26 |

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**SERVICE AREA**

RIC considers its primary service area to be Chicago and its surrounding suburbs and includes the counties of Cook, DuPage, Kane, Kankakee, Lake, McHenry and Will in Illinois.

RIC has developed strategic relationships with community hospitals extending its unique rehabilitation services to these communities as well as Central Illinois, Southern Illinois and Northwest Indiana. RIC also has strong referral relationships with Chicago's premier academic institutions.

In addition to servicing Illinois and greater Chicagoland, RIC maintains an increasing global reach -- serving patients from all 50 United States and 70 countries throughout the world.