

ILLINOIS FINANCE AUTHORITY

November 12, 2015

AGENDA

BOARD MEETING

9:30 a.m.

Michael A. Bilandic Building

160 North LaSalle Street

Suite S-1000

Chicago, Illinois 60601

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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds <i>Final (One-Time Consideration)</i>						
1	Michael P. and Stephanie L. Taylor	Genesee Township (Whiteside County)	\$230,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			\$230,000	-	-	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds <i>Preliminary</i>						
2	Adler University	Chicago (Cook County)	\$19,100,000	N/A	N/A	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			\$19,100,000	N/A	N/A	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds <i>Final</i>						
3	Sarah Bush Lincoln Health System	Mattoon (Coles County) and Toledo (Cumberland County)	\$30,000,000	90	60	PL
4	The Passavant Memorial Area Hospital Association	Jacksonville (Morgan County)	\$24,200,000	N/A	N/A	PL
TOTAL HEALTHCARE PROJECTS			\$54,200,000	90	60	
GRAND TOTAL			\$73,530,000	90	60	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
5	Resolution Authorizing the Execution and Delivery of a First Amendment to Bond and Loan Agreement Relating to the Industrial Development Revenue Bonds (Alef Sausage, Inc. Project), Series 2010 of the Illinois Finance Authority; and Related Matters	RF/BF
6	Resolution Approving Contract with ADP TotalSource, Inc./ADP TotalSource MI VII, LLC for Employee Benefits and Payroll Services	MG/EW
7	Resolution Approving the Selection of Underwriter(s) and/or Placement Agent(s) for Financing Options for Debt Issuances for One or More Projects Authorized under the Illinois Finance Authority Act, including Public Purpose Projects, through an Emergency Purchase under the Procurement Code	CM/EW
8	Resolution Approving the Selection of Trustee(s) and/or Paying Agent(s) for Financing Options for Debt Issuances for One or More Projects Authorized under the Illinois Finance Authority Act, including Public Purpose Projects, through an Emergency Purchase under the Procurement Code	CM/EW
9	Resolution Approving Finance Programs for Local Government Public Safety	CM
10	Resolution Approving Membership for the Various Committees of the Board of Directors	CM
11	Resolution Authorizing the Executive Director to Proceed with Documentation Relating to the Issuance of the Authority's Moral Obligation Bonds to Finance One or More Projects Authorized under the Illinois Finance Authority Act, including Public Purpose Projects; Authorizing One or More Intergovernmental Agreements Relating Thereto; and Other Related Matters	CM

November 12, 2015

TO: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Adam Israelov
Mayor Arlene A. Juracek

Lerry Knox
Terrence M. O'Brien
Mayor Barrett F. Pedersen
Roger Poole
Mordecai Tessler
John Yonover
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

Extraordinary Actions

Extraordinary times call for extraordinary actions. I call your attention to Items 7, 8 and 11 of the Project Reports and Resolution on the Agenda. It is our hope that the extraordinary actions initiated in these resolutions may, in some small way, ameliorate the difficulties faced by certain State vendors and providers of 911 services and the Illinois citizens who rely upon these vendors and 911 providers, in the current State budget situation.

The Business of the Authority

In addition to and despite the extraordinary circumstances, in connection with the core business and statutory mission of the Authority (federally tax-exempt conduit bonds), we are pleased to present a total of five projects: one agricultural project (*Whiteside County Beginning Farmer Bond*); one educational project (*Adler University*); two healthcare projects (*Sarah Bush Lincoln Health System* and *The Passavant Memorial Area Hospital Association*) as well as one industrial project resolution (*Alef Sausage*). We are pleased to be a predictable, transparent, and professional partner for our State's qualified conduit borrowers.

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

Respectfully,

Christopher B. Meister
Executive Director

November 12, 2015

TO: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Adam Israelov
Mayor Arlene A. Juracek

Lerry Knox
Terrence M. O'Brien
Mayor Barrett F. Pedersen
Roger Poole
Mordecai Tessler
John Yonover
Bradley A. Zeller

RE: Minutes of the October 8, 2015 Regular Meeting of the Board

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the "**Minutes**") in connection with the regular meeting of the Board of Directors of the Illinois Finance Authority (the "**Board**"), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of October in the year 2015, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the "**Act**").

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

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, October 8, 2015
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 8)
- II. Approval of Agenda
(page 4, line 9 through page 4, line 18)
- III. Chairman's Remarks
(page 4, line 19 through page 5, line 4)
- IV. Message from the Executive Director
(page 5, line 5 through page 5, line 6)
- V. Consideration of the Minutes
(page 5, line 7 through page 5, line 22)
- VI. Presentation of the Government Finance Officers Association of the United States and Canada ("GFOA") Award for the Fiscal Year 2014 Comprehensive Annual Financial Report ("CAFR")
(page 5, line 23 through page 9, line 11)

- VII. Presentation and Consideration of Financial Reports
(page 9, line 12 through page 20, line 24)
- VIII. Monthly Procurement Report
(page 21, line 1 through page 21, line 17)
- IX. Committee Reports
(page 21, line 18 through page 21, line 20)
- X. Presentation and Consideration of the Project Reports and Resolutions
(page 21, line 21 through page 48, line 7)
- XI. Other Business
(page 48, line 8 through page 48, line 10)
- XII. Public Comment
(page 48, line 10 through page 48, line 12)
- XIII. Adjournment
(page 48, line 12 through page 48, line 24)

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

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

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President,
Illinois Finance Authority

- Enclosures:
- 1. Minutes of the October 8, 2015 Regular Meeting of the Board
 - 2. Voting Record of the October 8, 2015 Regular Meeting of the Board

1 ILLINOIS FINANCE AUTHORITY BOARD
 2 BOARD OF DIRECTORS REGULAR MEETING
 3 October 8th, 2015 at 9:30 a.m.

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 7 Report of Proceedings had at the Meeting of the
 8 Illinois Finance Authority Board of Directors Regular
 9 Meeting on October 8th, 2015, at the hour of 9:30, pursuant
 10 to notice, at 160 North LaSalle Street, Suite S1000,
 11 Chicago, Illinois.

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1 APPEARANCE:
 2 ILLINOIS FINANCE AUTHORITY BOARD OF DIRECTORS

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- 3 MR. R. ROBERT FUNDERBURG, Jr.
- MR. JAMES J. FUENTES
- 4 MR. ADAM ISRAELOV
- MS. ARLENE JURACEK
- 5 MR. LERRY KNOX
- MR. BARRETT PEDERSON (Added 9:46 a.m.)
- 6 MR. JOHN B. YONOVER
- MS. GILA J. BRONNER
- 7 MR. MICHAEL W. GOETZ
- MR. ROGER POOLE
- 8 MR. BRADLEY ZELLER
- 9 PRESENT TELEPHONICALLY:
- 10 MR. ERIC ANDERBERG
- 11 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS
- 12 MR. BRAD FLETCHER, Assistant Vice-President
- MR. RICH FRAMPTON, Vice-President
- 13 MS. MELINDA GILDART, CFO
- MS. PAMELA LENANE, Vice-President
- 14 MS. ELIZABETH WEBER, General Counsel
- MS. SIX GRANDA, Controller
- 15 MS. TAMMY HARTER, Assistant/Healthcare
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- 1 CHAIRMAN FUNDERBURG: Good morning, everyone.
- 2 Welcome. I would like to call to order the Board
- 3 Meeting for the Illinois Finance Authority.
- 4 Would you please take roll?
- 5 FLETCHER: Certainly. The time is 9:37. I'll
- 6 call the roll.
- 7 Ms. Bronner?

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8 BRONNER: Here.
9 FLETCHER: Mr. Fuentes?
10 FUENTES: Here.
11 FLETCHER: Mr. Goetz?
12 GOETZ: Here.
13 FLETCHER: Mr. Israelov?
14 ISRAELOV: Here.
15 FLETCHER: Ms. Juracek?
16 JURACEK: Here.
17 FLETCHER: Mr. Knox?
18 KNOX: Here.
19 FLETCHER: Mr. Pool e?
20 POOLE: Here.
21 FLETCHER: Mr. Yonover?
22 YONOVER: Yes, here.
23 FLETCHER: Mr. Zeller?
24 ZELLER: Here.
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1 FLETCHER: And Mr. Chairman?
2 CHAIRMAN FUNDERBURG: Here.
3 FLETCHER: Are there any Board Members on the
4 telephone?
5 ANDERBERG: Yes, Eric Anderberg.
6 FLETCHER: Duly noted. Anyone else?
7 HALPERIN: Marj Halperin.
8 FLETCHER: At this time we have a quorum.
9 CHAIRMAN FUNDERBURG: Great. Thank you. The
10 next order of business is the approval of the
11 agenda.

12 Is there a motion to approve the agenda?
13 GOETZ: So moved.
14 POOLE: Second.
15 CHAIRMAN FUNDERBURG: Okay. All those in
16 favor?
17 (A chorus of ayes.)
18 FLETCHER: The ayes have it.
19 CHAIRMAN FUNDERBURG: Just as far as remarks,
20 it's been a very busy month. We've had a great
21 month in terms of revenue and other business as
22 well.
23 Executive Director Meister and the staff
24 have been very, very busy on a number of different
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1 projects and we continue to appreciate their hard
2 work on IFA business and also working with the
3 administration.
4 Chris, anything you want to add?
5 MEISTER: I don't have anything to add, Mr.
6 Chairman.
7 CHAIRMAN FUNDERBURG: Okay. Thank you. Next
8 is the consideration of the minutes. There were
9 several scrivener errors regarding gender
10 designation, and then also a few other scrivener
11 typos, et cetera. We'll have those taken care of.
12 Is there anything anybody else wanted to
13 note about the minutes?
14 (No response.)
15 JURACEK: Move for approval of the minutes.
16 CHAIRMAN FUNDERBURG: Is there a second?

17 GOETZ: Second.

18 CHAIRMAN FUNDERBURG: Okay. All in favor,
19 please say aye.

20 (A chorus of ayes.)

21 CHAIRMAN FUNDERBURG: Any opposed?

22 (No response.)

23 CHAIRMAN FUNDERBURG: Ms. Gildhart?

24 GILDART: Good morning, everyone. I'm Melinda
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1 Gildhart, CFO for Illinois Finance Authority, and I
2 would like to introduce Melissa Gallagher. She is
3 the Finance Director of the City of Rolling Meadows,
4 and she's here to make the Board presentation on
5 behalf of the Government Finance Officers
6 Association.

7 I would also like to take this time to
8 acknowledge the staff involved in the production of
9 the FY14 CAFR, in the Comprehensive Annual Financial
10 Report for fiscal year 2014.

11 Six Granda, please stand, Tiffany McCoy,
12 Frankie Patterson, Rich Frampton, Brad Fletcher, and
13 Ms. Tammy Harter.

14 GALLAGHER: Thank you, Melinda. I'm Melissa
15 Gallagher, and I'm representing the Government
16 Finance Officers Association, and I am honored to be
17 here today on behalf of the Government Finance
18 Officers Association to present the Certificate of
19 Achievement for excellence in financial reporting to
20 the Illinois Finance Authority.

21 The Certificate of Achievement program has
22 been in operation since 1946. The purpose of the
23 program is to encourage and assist governments to
24 prepare financial reports of the highest quality for

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1 the benefit of citizens and other parties for the
2 vital interest in government finances.

3 The program has gained widespread
4 recognition as the premier indicator of excellence
5 in governmental accounting and financial reporting.

6 To earn the Certificate of Achievement for
7 Excellence in Financial Reporting, the Illinois
8 Finance Authority had to substantially conform to
9 the program's demanding criteria, which go well
10 beyond the minimum requirements of
11 generally-accepted accounting principles.

12 Program participants submit copies of
13 their Comprehensive Annual Financial Report to the
14 Certificate Achievement Program for an in-depth
15 review and evaluation.

16 The review and evaluation is performed by
17 two members selected from an impartial panel of
18 government finance officers, independent certified
19 public accountants, educators, and others with
20 specialized experience and expertise in governmental
21 accounting and financial reporting.

22 Reports are also reviewed and evaluated by
23 members of the GFOA's professional staff. Only
24 those that are judged by all reviewers who have

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1 substantially met the programs criteria are awarded
2 the Certificate of Excellence in Financial
3 Reporting.

4 The receipt of this award reflects the
5 professionalism and commitment of numerous
6 individuals, as well as many hours of hard work, I'm
7 sure. It also reflects a high degree of dedication
8 and leadership on your Board as well.

9 The Government Finance Officers
10 Association hopes that this award to the Illinois
11 Finance Authority will serve as an example and
12 encourage others to strive for the same high
13 standards in their own financial reports.

14 Therefore, it is my privilege, on behalf
15 of the Government Finance Officers Association, to
16 present the award to the Illinois Finance Authority,
17 this Certificate of Achievement in financial and
18 excellence in reporting.

19 So I just wanted to share this with you as
20 a significant accomplishment. Congratulations to
21 Illinois and your team.

22 GILDART: Thank you, Melissa. And again, thank
23 you to our staff, who put in so many tireless hours
24 and so much hard work and dedication to this

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1 project, and we're in the middle of our FY15 CAFR
2 now, and I know it will be as successful as last

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3 year.

4 CHAIRMAN FUNDERBURG: Congratulations.

5 GILDART: Thank you.

6 MEISTER: I think that the staff did an
7 excellent job, and I just want to personally thank
8 Melinda Gildhart, who brought a level of experience
9 and skill to the job of IFA CFO and to the entire
10 staff. This is an accomplishment that belongs to
11 the entire staff. So thank you.

12 CHAIRMAN FUNDERBURG: Okay. You still have the
13 floor.

14 GILDART: Are we ready for the financial
15 report?

16 CHAIRMAN FUNDERBURG: Please.

17 GILDART: Okay. So this month's financial
18 presentation I will recap the unaudited results for
19 FY15, and then the current activity for 2016 for the
20 general operating fund and all funds.

21 So as a recap for the general operating
22 fund for FY15, we still stand at annual revenues of
23 just over \$4.3 million. We had a slight uptick in
24 annual expenses unaudited, but we are still just

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1 under \$4,000,000, and our total unaudited net
2 income, as it stands today, is at \$622,000 for
3 fiscal year 2015.

4 Does everyone have that information?

5 Okay. Also, included in the Board material this
6 month is an unaudited trend report for the general
7 operating fund for the last ten years, and the high

Page 8

8 points of that report will show that our revenues
9 peaked in 2008, but have been on a steady decline
10 since 2009.

11 Overall, we have an outlier in 2014 due to
12 the bond bank defeasances, which netted the
13 Authority gross revenues of \$2.7 million booked in
14 FY14 with just under \$300,000 booked in FY15.

15 Are there any questions on fiscal year
16 2015? Okay. So for current activity for the
17 general operating fund, we stand at total annual
18 revenues of \$1.7 million, and that's about \$424,000,
19 or 34 percent higher than budget, and that's due
20 primarily to the higher-than-expected closing fees
21 in the month of September.

22 Closing fees year to date are at
23 \$1.3 million, and that's 53 percent, or \$435,000
24 higher than budget. So that's a very good

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1 turnaround.

2 Other revenue categories that are higher
3 than budget including admin service fees and also
4 application fees. We have net investment income for
5 the year for the first quarter so far at \$70,000.
6 And in September, we generated \$792,000 in closing
7 fees.

8 We've booked closing fees from the OSF
9 Healthcare System and also The University of Chicago
10 at \$211,000 each. We also had closings from
11 Advocate Health Care Network and also Palos

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12 Community Hospital for \$138,000 each.

13 And finally, we had Villa St. Benedict at
14 \$94,000, and we also booked admin service for Aunt
15 Martha's Service Center. Our net investment income
16 for the month was \$58,000, and that's our highest
17 monthly total since January of 2015.

18 In all, September had the highest monthly
19 revenue for closing since December of 2010, and
20 that's when we booked \$1.083 million for the month.

21 And overall, our highest monthly revenue
22 for September 2015 since October of 2011, and that's
23 when we booked \$1.23 million. So it was a very good
24 month again.

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1 Our total annual expenses are just under
2 \$900,000, and that's about \$345,000, or 28 percent
3 below budget, and that's due mostly to vacant
4 budgeted staff positions and the delay in our IT
5 software project.

6 Our total annual net income stands at
7 \$770,000. Again, the major driver was the fantastic
8 performance in September for closing revenue, and
9 also the 20 percent below budget in spending.

10 For our balance sheet, the general
11 operating fund has \$53.3 million in net position;
12 and of that amount, \$29,000,000 is from unrestricted
13 cash and investments. So we're very stable on the
14 cash side on the effort side. We have liabilities
15 of just \$663,000.

16 So for the other funds in the component
Page 10

17 units, that includes the Illinois Environmental
18 Protection Agency, the Medical District Commission
19 and also the Northern Illinois University
20 Foundation. They have total assets and liabilities,
21 each category, of \$158.1 million, and we have to
22 report that activity per accounting rules.

23 For our locally-held fire truck and
24 ambulance revolving funds, we have total

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1 year-to-date revenues of \$11,000, and we're also
2 seeking to issue loans of \$6.2 million within the
3 next few weeks for the fire truck program.

4 We'll also be disbursing loans for an
5 ambulance program probably in the third quarter of
6 this year. Overall, the net position in fire truck
7 fund is \$22.2 million and for ambulance is
8 \$4.2 million.

9 Our Industrial Revenue Bond Insurance
10 Fund, this fund contains unrestricted access to make
11 payouts for potential losses in regards to our
12 agricultural loanguarantee program.

13 Currently, this fund is being recorded as
14 a major fund for the first time with the Authority
15 as of June 30th, 2015. The primary activity would
16 include a \$1.1 million reserve for potential losses
17 in that fund, and we made an actual payout of
18 \$155,000 in September for a previously-litigated
19 case.

20 Overall, our net position in this fund is

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21 \$10.6 million unrestricted. The Illinois Housing
22 Partnership Program, this fund is designed to issue
23 loans to local government for them to use the
24 proceeds to rehab multi family housing for low- and

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1 moderate-income residents.

2 The majority of the activity in this fund
3 is a \$3,000,000 loan receivable from the City of
4 Chicago, and that payout, the payment for that loan,
5 is due August 1st, 2016. The original amount of
6 that loan was \$5,000,000, and it was issued by a
7 predecessor agency of the Authority.

8 We have received written confirmation from
9 the City of Chicago that they do intend to make this
10 payment, and we received that confirmation on
11 September 22nd. So we're assured that we will
12 collect the \$3,000,000 next year.

13 All the other nonmajor funds have a net
14 position of \$22.9 million; and for an audit update,
15 the FY14-FY15 compliance and financial audits are
16 still ongoing, but we are very close to completing
17 the compliance audit, and the primary focus now is
18 the financial audit.

19 And in addition, the schedule of debt and
20 other treasury reports are included in your Board
21 package today, immediately following the financial
22 reports.

23 Are there any questions?

24 MEISTER: Mr. Chairman, I've got a couple of

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1 items.

2 CHAIRMAN FUNDERBURG: Please.

3 MEISTER: I just want to clarify for the Board
4 a couple of things is that in your manila folder,
5 there is an article from September 30th of the bond
6 buyer that states that municipal bond volume dropped
7 the most in 17 months in the month of September
8 2015, and the Illinois Finance Authority, in our
9 issuance of conduit debt, ran counter-cyclical to
10 that.

11 For some of the Board members that have
12 been with the Authority for a longer term, the month
13 December 2010 might ring some bells. That was the
14 last month in which certain federal stimulus conduit
15 bond programs expired, and we had a rush to closing
16 and approval that was primarily overseen by our
17 vice-president, Rich Frampton, and that was,
18 frankly, an extraordinary month.

19 And again, in September 2015, we have also
20 had an extraordinary rough month for closings and
21 revenue, and the credit for that belongs to our two
22 vice-presidents that are in charge of revenue,
23 Pamela Lenane for healthcare and nonprofit senior
24 living, and Rich Frampton for higher education,

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1 local government, business and industry, and credit
2 decisions, as well as their teams, Brad Fletcher and

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3 Tammy Harter.

4 It was an extraordinary month. It was --
5 I wish that I could point to anything more concrete,
6 other than the timing needs of the conduit borrowers
7 which we serve, but it was a happy result.

8 A couple of other points. We did execute
9 and pay the settlement, the legal settlement, tied
10 to the agricultural guarantee that we discussed last
11 month. We are awaiting the dismissal of that
12 litigation.

13 There were two pieces of litigation, one
14 in the Circuit Court of Cook County, and one in the
15 State of Illinois Court of Claims, and we expect
16 those to be -- those dismissals to be with prejudice
17 to be forthcoming.

18 Finally, this housing partnership loan
19 that was discussed, it is a legacy loan, and it is
20 somewhat unusual. Approximately 15 years ago, with
21 one of our predecessor agencies, the Illinois
22 Development Authority, the General Assembly and the
23 then-administration made a practice of appropriating
24 money to one of our predecessor entities that would

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1 then, in turn, loan the money to certain borrowers
2 per legislative direction.

3 In this case, it was some money for
4 housing to the City of Chicago, and then the General
5 Assembly provided favorable terms over a long period
6 of time for repayment. Again, this is a very old
7 loan. It's a very large amount of money for us.

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8 And again, I'm very happy that Melinda
9 used her relationships with various people in the
10 City of Chicago's office during the audit process to
11 confirm that the City of Chicago remembered this
12 particular obligation they have; and that more
13 importantly, they agreed in writing that they would
14 pay it in 2016. So that's very, very important.

15 GOETZ: What happens to the money? Will it be
16 recycled into this program, or will it just be put
17 in our general fund?

18 MEISTER: When we receive the money, I
19 anticipate coming to the Board and discussing that
20 point.

21 I will tell you that we do have a written
22 legal opinion from a lawyer that was on staff at the
23 time that it received this money that states that
24 this money can go into the IFA general fund for
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1 general purposes.

2 Although, given the age and the amount,
3 we'll probably work with Elizabeth and with Melinda
4 to revisit that question to make sure there are no
5 questions.

6 GOETZ: So we probably wouldn't continue the
7 Illinois Housing Partnership Program Fund?

8 MEISTER: No. My recommendation, with what I
9 know, is that I will make the recommendation to the
10 Board to take that \$3,000,000 and put it in our
11 general fund.

12

GOETZ: Okay.

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MEISTER: For general purposes of the IFA.

14

GOETZ: It sounds like we're kind of

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duplicating what IHDA does.

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MEISTER: Yes. And again, I think the only

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person who had firsthand knowledge that was in the

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room when this was actually being done, was Rich

19

Frampton, and I don't think that Rich had day-to-day

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responsibility over this particular loan.

21

FRAMPTON: I originated one loan at the tail

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end.

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MEISTER: Okay. And again, one final point,

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Melinda, for the Board Members, can you discuss this

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major fund/nonmajor fund government accounting

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concept, because it is counter-intuitive; and for

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people not familiar with both our balance sheet and

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government accounting standards, they may draw the

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wrong conclusions, unless it's explained.

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GILDART: So the major fund test is pretty much

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any fund with activity that exceeds 10 percent or

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greater of your assets, liabilities, revenue or

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expenses is reported as a major fund. So it's on

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basically page 1 of the financials.

11

Last year we had, because of the activity

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with the fire truck and ambulance funds, per the

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legislation that moved that program interest over to

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the Authority in our locally-held funds, they were

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presented as major funds.

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For FY15, we had activity of just under

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17 \$500,000 for them. So they moved from page 1 to
18 page 50, or whatever, in the CAFR. So we still
19 present that information, but it is not highlighted
20 according to accounting rules.

21 So any funds again that exceeds 10 percent
22 of your activity. In this case this year, the
23 industrial revenue bond fund did, because we had to
24 book accruals for potential losses for loan

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1 guarantees, just to make sure that we have accrued
2 those amounts.

3 And that's what bumped them up over that
4 threshold, and they are being presented next to the
5 general operating fund in our financial statements.

6 MEISTER: And so the category, the definition
7 of major fund, is not tied to the amount of actual
8 money that is in that fund, it's tied to the amount
9 of that year activity.

10 GILDART: It's the current-year activity.

11 CHAIRMAN FUNDERBURG: Okay. Thank you. Are
12 there any other questions at all or comments
13 regarding the financial reports?

14 If not, is there a motion to accept them?

15 GOETZ: So moved.

16 PEDERSEN: Seconded.

17 CHAIRMAN FUNDERBURG: For the record, Mr. Goetz
18 moved. And seconded --

19 FLETCHER: And seconded by Barrett Pederson.

20 CHAIRMAN FUNDERBURG: All in favor, please say

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21 aye.

22 (A chorus of ayes.)

23 CHAIRMAN FUNDERBURG: Any opposed?

24 (No response.)

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1 CHAIRMAN FUNDERBURG: Thank you. Procurements?

2 GILDART: For this month's procurement report,
3 the Authority executed three small purchase
4 contracts for Bloomberg and also Third Coast Imaging
5 and RR Donnelley, in regards to the typesetting and
6 printing for our PY15 CAFR. So we're in that
7 process now.

8 We are awaiting execution of our debt
9 management software contract that's pending
10 execution, but also we have an expiring contract
11 with our marketing firms, our new market tax credit
12 consultant and for the legislative services. Those
13 contracts are all expired.

14 And for the month of October, contracts
15 will be expiring for ADP Total Source and three of
16 the ten energy-efficiency vendors that we contracted
17 with back in 2010.

18 CHAIRMAN FUNDERBURG: Questions? Thank you
19 very much. There are no committee reports for this
20 month.

21 Item 10 is a presentation and
22 consideration of project reports and resolutions. I
23 would like to note that Mr. Israelov will be
24 abstaining from Items 4 and 8.

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1 Are there going to be any other
2 abstentions?

3 (No response.)

4 CHAIRMAN FUNDERBURG: Okay, thank you. Then I
5 would like to ask for general consent that we
6 consider Items 1, 2, 3, 5, 6 and 9, collectively.
7 Is everybody in agreement with that?

8 Anybody object to it?

9 (No response.)

10 CHAIRMAN FUNDERBURG: No one objects. Thank
11 you.

12 FLETCHER: Mr. Chairman, may I note for the
13 record Item 7 has been withdrawn at the request of
14 the Borrower.

15 CHAIRMAN FUNDERBURG: Okay, thank you. Okay,
16 so we're moving into the project side. Each person
17 who has one, let's just roll through it. Okay?

18 MEISTER: Beginning farmer bonds.

19 FRAMPTON: Okay. Item 1 is a beginning farmer
20 bond for Bradley A. Legg and Nina K. Legg. As with
21 all these beginning farmer bonds, it will be a
22 direct purchase by Fairfield National Bank.

23 The bank is, as the direct bond purchaser
24 and investor, assumes all the risk associated with

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1 this financing. You will note that the bank has
2 approved 100-percent financing for this acquisition.

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3 The not-to-exceed amount is \$174,000 for 58 acres of
4 farmland located in Four Mile Township in Wayne
5 County. Any questions?

6 CHAIRMAN FUNDERBURG: Okay, next.

7 FRAMPTON: Next we will move on to Item 2,
8 which is a resolution to confirm and restate a
9 preliminary bond resolution approved in August of
10 2007, with respect to the issuance of qualified
11 surface freight transfer facilities revenue bonds
12 for the benefit of CenterPoint Joliet Terminal
13 Railroad, LLC, and its successors, affiliates and
14 assigns for the eligible cost relating to
15 development of the CenterPoint Joliet Intermodal
16 Center Project and related costs in a aggregate
17 principal amount now estimated at not-to-exceed
18 \$1,137,000,000.

19 Again, CenterPoint is requesting approval
20 of the accompanying resolution that confirms and
21 restates the preliminary bond resolution as
22 originally approved in August of 2011.

23 This project is unusual in a number of
24 respects. First of all, given the 10-plus year

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1 development and issuance cycle that was contemplated
2 back in 2007, we're now over eight years into the
3 inducement period; and accordingly, although it's
4 not necessarily required for tax purposes, as an
5 abundance of caution, bond counsel, Perkins Coie,
6 believed it would be advantageous to return to the
7 Board to refresh and update the original resolution.

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8 In addition to that, there had been some
9 minor modifications in the scale and scope of the
10 project. Originally, the project was to comprise
11 3400 acres. It is now up to -- the footprint of the
12 project has been expanded up to 4,000 acres.

13 The project is located on the northern
14 portion of the former Joliet Arsenal facility, and
15 it's generally located east of Interstate 55, west
16 of Illinois Highway 53, and south of the Des Plaines
17 River. It's just east of the Exxon Mobil Refinery on
18 I55.

19 The railroads -- the primary railroad it
20 serves is the Union Pacific main line from Long
21 Beach, California. Development within the site
22 includes over a 835-acre Class I rail intermodal
23 facility, 450 acres of on-site container and
24 equipment management facilities, and 20,000,000

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1 square feet of related industrial facilities,
2 loading docks, conveyer systems, cranes and other
3 related facilities and equipment.

4 In terms of the warehousing facilities,
5 the focus of development of the warehousing and
6 container storage facilities is for temporary
7 storage related directly to rail to truck and truck
8 to rail transfer.

9 All of this in the resolution is going to
10 be leading up to a new project that we will see next
11 month. CenterPoint expects to return, either in

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12 November or December, to finance an additional phase
13 of the project. The not-to-exceed amount on that
14 financing will be \$150,000,000.

15 As with the prior phases of the project,
16 the financing will be -- will involve a
17 straightforward structure. The purchasers of the
18 bonds will be members of CenterPoint's banking
19 syndicate.

20 So, essentially, what they'll be doing is
21 reimbursing themselves for construction and other
22 interim financing and flipping it to an equivalent
23 amount of tax exempt debt on a term-loan basis, on a
24 tax-exempt, term-loan basis.

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1 In terms of the authorization, these
2 intermodal bonds were provided for under a special
3 authorization provided under the Surface
4 Transportation Act of 2005.

5 Under that program, the U.S. Department of
6 Transportation has \$15,000,000,000 of private
7 activity bond debt allocation available, which it
8 allocates to individual projects.

9 Upon receiving approval of their
10 inducement resolution back in August of '07,
11 CenterPoint submitted an application to U.S. DOT,
12 and they have received a series of allocations to
13 fund and issue bonds under this program.

14 If you look at -- if you flip to page 4 of
15 the memo, IFA has issued two of the 16 bonds that
16 have been issued nationally to date, both of which

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17 have been issued for the CenterPoint project.

18 One other key thing you'll note, as you
19 look through the project list, all the other surface
20 transportation projects are more traditional kinds
21 of privatized public/private partnership financings.
22 Most involve highways or mass transit; and, in fact,
23 all of them are highways and mass transit, except
24 for the CenterPoint project.

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1 Additionally, at the bottom of the chart,
2 there remains five conditional allocations.
3 CenterPoint has a \$625,000,000 share of the
4 remaining allocation.

5 In terms of inducement activity, IFA has
6 been a national leader in promoting this for
7 intermodal facilities, and the second section on
8 page 3 highlights some of our other activity, in
9 terms of reviewing and approving projects.

10 Two of the three projects were actually
11 awardees of allocations as well. At the bottom of
12 page 3, there is a report of the employment impact,
13 both over the anticipated development cycle of the
14 project over 10-plus years, as well as a report on
15 the current full-time employment attributable to the
16 project.

17 This information is a bit different in
18 presentation format and scope from what we usually
19 present to the Board, but this is exactly how
20 CenterPoint reports this job information to the U.S.

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Transportation and others.

22 So with that, I would also like to point
23 out in addition to the report, I've provided links
24 at bottom page 4 on informational videos relating to

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1 the CenterPoint project.

2 If you view those, you'll get a much
3 better idea regarding what happens at both of the
4 CenterPoint facilities in Elwood and Joliet; and of
5 the two facilities, IFA has only been involved in
6 financing the Joliet intermodal.

7 With that, I would also like to just
8 introduce and welcome Tim Lippert, who is the
9 vice-president of finance for CenterPoint, and Bruce
10 Bonjour of Perkins Coie. Both CenterPoint and
11 Perkins Coie were instrumental in adding the
12 intermodal authority to the original Surface
13 Transportation Act.

14 With that, I'm prepared to take any
15 questions.

16 GOETZ: Could you, Rich, just briefly touch on
17 the role CalPERS plays in this thing?

18 FRAMPTON: Okay. CalPERS is one of the
19 owners -- one of the corporate owners.

20 CHAIRMAN FUNDERBURG: Explain CalPERS, so
21 everyone knows what that is.

22 FRAMPTON: Okay. CalPERS is the California
23 Public Employee Pension System, and they are one of
24 the owners of CenterPoint properties trust.

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1 GOETZ: So do they own this as part of their
2 real estate portfolio, I would guess?
3 FRAMPTON: Yes.
4 GOETZ: Okay. Tim you are shaking your head
5 yes?
6 LIPPERT: Yes.
7 MEISTER: And that's Mr. Lippert of CenterPoint
8 who is shaking his head?
9 GOETZ: Right.
10 BRONNER: Nodding.
11 MEISTER: Nodding, yes.
12 FRAMPTON: CenterPoint and CalPERS became one
13 of the owners of CenterPoint when they privatized in
14 2006. Prior to that, they were a publicly -- a
15 public real estate investment trust.
16 GOETZ: Right, right, right. Okay. Thanks.
17 FRAMPTON: Okay? Any other questions?
18 CHAIRMAN FUNDERBURG: Thank you.
19 MEISTER: I would just like to thank Rich for
20 his long-term work on this. The CenterPoint project
21 and this United States Department of Transportation
22 allocation of volume cap, which as many of you know
23 most of our volume cap for private borrowers,
24 private for-profit borrowers, comes from the U.S.

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1 Treasury.

2 This is very unusual, because it comes

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3 through the United States Department of
4 Transportation; and unlike the U.S. Treasury volume
5 cap, which goes from the U.S. Treasury to the state,
6 or in Illinois local municipal government to an
7 issue or conduit issue like the Illinois Finance
8 Authority.

9 In this case, the volume cap, which is the
10 authority to issue tax-exempt bonds, a private
11 company, CenterPoint, went and applied to the United
12 States Department of Transportation, and the United
13 States Department of Transportation then made the
14 allocation.

15 We are very pleased and grateful to
16 CenterPoint because they made the decision to issue
17 these tax-exempt bonds through the Illinois Finance
18 Authority. We're very grateful to them.

19 In addition, it is an illustration that
20 here in Illinois, we've taken a unique federal
21 resource. We have harnessed a private job creator
22 to create private jobs.

23 As Rich pointed out, most of these
24 projects in other states are conventional highway

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1 projects. This is multimodal. These are large
2 warehouses, freight, and there is even some light
3 manufacturing, correct, Mr. Lippert?

4 LIPPERT: Correct.

5 MEISTER: Anyway, thank you, CenterPoint; and
6 thank you, Mr. Frampton.

7 CHAIRMAN FUNDERBURG: Okay. We're going to
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8 take the next several very quickly.

9 FLETCHER: Mr. Chairman, Members of the Board,
10 good morning. Tab No. 3 is the proposed final bond
11 resolution for Nazareth Academy, a not-to-exceed
12 amount of \$26,000,000.

13 You recall last month this Board
14 considered and adopted a resolution for
15 \$23.5 million. Thereafter, the borrower and their
16 financial advisor realized they needed to increase
17 the par amount by \$2,500,000, to increase their
18 intended construction cost, to capture their
19 intended construction cost, excuse me.

20 All other business terms of the
21 transaction remain the same. Again, MB Financial
22 will be the direct purchaser of the proposed
23 refunding bonds and the new money bonds, which will
24 be cross-collateralized and cross-defaulted with all

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1 credit facilities of the borrower.

2 Quickly turning to page 7 of the report,
3 the confidential section, we've updated our
4 financial projections. Again, we provide financial
5 projections when our borrowers are nonrated
6 entities.

7 We still forecast sufficient operating
8 cash flows or earnings before interest, depreciation
9 and amortization to cover the proposed debt service
10 payments.

11 Additionally, on page 7, you'll note the

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12 estimated fee, based on the new par amount as
13 amended. We are still providing an amendment fee of
14 \$11,000 for refunding of the Series 2006 bonds,
15 which is consistent with our past record of
16 providing an amendment fee when we are refunding
17 bonds that are secured by a letter of credit.

18 The new money portion of the bonds will be
19 in accordance with our regular fee schedule. We
20 recommend approval.

21 Any questions? Thank you.

22 CHAIRMAN FUNDERBURG: Thank you. Ms. Lenane.

23 ISRAELOV: Chairman Funderburg, before we move
24 on to Item No. 4, in addition to abstaining from
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1 voting, I'm also recusing myself from consideration
2 and deliberation.

3 CHAIRMAN FUNDERBURG: Okay.

4 ISRAELOV: So Chicago Shakespeare Theater is a
5 client of my employer, and as a partner of my
6 employer that sits on the board of directors of
7 Chicago Shakespeare Theater.

8 CHAIRMAN FUNDERBURG: Thank you. So noted.

9 LENANE: Okay. This is project No. 5.

10 JURACEK: 4.

11 FLETCHER: We are doing 4 and 8 thereafter, due
12 to the abstention of Israelov.

13 CHAIRMAN FUNDERBURG: I'm sticking just to the
14 script. We are going to do 5, which is Riverside
15 Health System.

16 LENANE: Riverside Health System, great.

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17 Riverside Health System is coming for a final bond
18 resolution, authorizing the issuance of \$37,500,000
19 in tax-exempt bonds to refund its 2004 bonds and its
20 Series 2006 A bonds.

21 Riverside Health System is located in
22 Kankakee County and Iroquois County. This will be a
23 variable rate bank direct purchase by DNT Asset
24 Trust, a Delaware business trust, which is a

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1 wholly-owned subsidiary of JP Morgan Chase Bank, and
2 there really is nothing else new to this particular
3 refunding.

4 CHAIRMAN FUNDERBURG: Okay. Questions?

5 LENANE: Any questions? Okay.

6 CHAIRMAN FUNDERBURG: Next.

7 LENANE: Next is -- well, Rich said Passavant
8 Memorial Area Hospital.

9 GOETZ: Passavant.

10 LENANE: I call it Passavant.

11 GOETZ: It is Passavant. Right, Brad?

12 FLETCHER: That's correct.

13 LENANE: Is that right? Thank you. A little
14 levity. Anyway, they are going to currently refund
15 their Series 2000 -- this is a preliminary bond
16 resolution.

17 They are currently refunding the Series
18 2006 A and 2006 B bonds in the amount of
19 \$24,200,000. This will be a variable rate bank
20 direct purchase. Since this went out to press, they

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21 have selected PNC Bank as the bank for the direct
22 purchase.

23 They also will probably, or most likely,
24 or most certainly have a guarantee by Memorial

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1 Hospital, which they with affiliate with Memorial
2 Health System in Springfield, which they affiliated
3 with in April 2014. They were going to see if they
4 could do it on their own credit, but I think the
5 bank wants Memorial also on credit.

6 Those changes will be indicated when we
7 come for the final bond resolution. Since this is a
8 refunding, there are no new jobs. Passavant is located
9 in Morgan County, the illustrious Morgan County, in
10 Jacksonville, and it has 121 beds staffed by
11 approximately 900 full-time and part-time employees.

12 I think this is a wonderful affiliation
13 for them. A small stand-alone hospital really has a
14 difficult time in today's marketplace, and the
15 affiliation will be helpful to them and helpful to
16 Memorial.

17 If we go to financials, these financials,
18 the unaudited financials that we're looking at, are
19 actually a consolidation of Passavant and Memorial
20 Health System. So they have debt service coverage
21 of 5.05, and then days cash on hand of 322. They
22 are very solid.

23 Because of the bank private placement,
24 they won't be going for a rating. Any questions?

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1 Okay.

2 I just also wanted to mention that you
3 will see in the market Advocate is doing a refunding
4 of the bonds that we issued -- approved refunding
5 several months ago. The bonds were not in the
6 money, as they say, but now they had sufficient
7 authorization. They don't have to come back to the
8 Board.

9 They have sufficient authorization under
10 the old resolution that we passed to refund
11 \$80,000,000 worth of the 2010 bonds. So there will
12 be an O.S. out on the streets; and if somebody wants
13 to buy Advocate bonds, then they will know we had
14 approved it several months ago. So that's all I
15 have for now.

16 CHAIRMAN FUNDERBURG: Thank you. Next item
17 is 9.

18 MEISTER: Yes. Thank you, Mr. Chairman. This
19 is a resolution from the general counsel, Elizabeth
20 Weber, and I. I will be making the presentation.

21 What this resolution does is that it asks
22 the Board to provide me, the Executive Director, and
23 relevant staff with Authority, to use the State
24 Procurement Code to explore the market to see if

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1 there will be any lenders that will, in essence,
2 loan the Illinois Finance Authority money so that we

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3 may be of assistance, in connection with paying
4 state bills, in connection with the state budget
5 impasse.

6 Illinois Finance Authority was among a
7 large number of state agencies that were asked to
8 explore options; and in the resolution, I've pointed
9 to three statutory powers that the General Assembly
10 has provided to us: Statutory lien, statutory
11 non-impairment, and the statutory authority to
12 provide up to around \$100,000,000 in moral
13 obligation, which was discussed before, which was a
14 form of statutory -- a statutory taxpayer guarantee.

15 We worked with outside counsel. We've
16 done a lot of work ourselves, and in partnership
17 with the administration and our financial advisors.
18 I believe that we have a well-developed plan to test
19 the capital markets to see if there is an appetite
20 for this sort of loan.

21 And again, this is limited. What this is
22 going to be doing is authorizing me to go out to see
23 whether various lenders, loan servicers, payment
24 agents, trustees will be interested in participating

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1 in such a transaction.

2 If successful, and depending on the
3 responses, I will come back to the Board with a
4 proposed structure. In conversations with the
5 Board, concerns have been raised, and Elizabeth
6 Weber, our general counsel, and I, have discussed
7 them.

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8 If we -- when and if we come back to the
9 Board, we will provide the Board with an analysis of
10 the Board's fiduciary duties for such a transaction.
11 Our statute is a little bit unusual because there is
12 no specific reference in the plain language of the
13 statute to fiduciary duties of the volunteer Board
14 Members. However, we believe that there are certain
15 implied duties, but we will have a legal analysis
16 for the consideration of the Board.

17 We will also consult with the insurance
18 brokers that provide public official's liability
19 insurance and make sure that our insurers fully
20 understand the scope of what we may be asking the
21 Board to do. And I will take any questions.

22 GOETZ: So this resolution just gives you the
23 authority to go and kind of explore this?

24 MEISTER: Yes.

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1 GOETZ: Not really authorizing any kind of
2 transaction, which is basically authorizing you to
3 put together a transaction?

4 MEISTER: Yes, we are, and then the method by
5 which under State law we to need do that is through
6 the Procurement Code, and we will utilize the
7 Procurement Code and the tools provided to this
8 agency under the Procurement Code to, in essence,
9 see who is willing --

10 GOETZ: Right.

11 MEISTER: -- to provide an offer for this

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12 transaction. Okay. Any other questions?

13 (No response.)

14 CHAIRMAN FUNDERBURG: Then I would like to ask
15 for a motion to adopt the following projects and
16 resolutions Items 1, 2, 3, 5, 6 and 9.

17 Is there such a motion?

18 FUENTES: Yes.

19 GOETZ: Second.

20 CHAIRMAN FUNDERBURG: Motion by Mr. Fuentes,
21 seconded by Mr. Goetz.

22 All in favor? Please do the roll, Brad.

23 FLETCHER: On the motion, I'll call the roll.
24 Member Anderberg on phone?

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1 ANDERBERG: Yes.

2 FLETCHER: Ms. Bronner?

3 BRONNER: Yes.

4 FLETCHER: Mr. Fuentes?

5 FUENTES: Yes.

6 FLETCHER: Mr. Goetz?

7 GOETZ: Yes.

8 FLETCHER: Mr. Israelov?

9 ISRAELOV: Yes.

10 FLETCHER: Ms. Juracek?

11 JURACEK: Yes.

12 FLETCHER: Mr. Knox?

13 KNOX: Yes.

14 FLETCHER: Mr. Pedersen?

15 PEDERSEN: Yes.

16 FLETCHER: Mr. Pool e?

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17 POOLE: Yes.
18 FLETCHER: Mr. Yonover?
19 YONOVER: Yes.
20 FLETCHER: Mr. Zeller?
21 ZELLER: Yes.
22 FLETCHER: And Mr. Chairman?
23 CHAIRMAN FUNDERBURG: Yes.
24 FLETCHER: Mr. Chairman, the motion carries.
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1 CHAIRMAN FUNDERBURG: Thank you very much.
2 Next up is Item No. 4, which we've taken separately.
3 Mr. Fletcher.
4 FLETCHER: Thank you, Mr. Chairman. Members of
5 the Board, Tab No. 4 is the proposed final bond
6 resolution for Chicago Shakespeare Theater, a
7 not-to-exceed amount of \$15.4 million.
8 The proposed transaction would enable
9 Shakespeare, a professional theater company located
10 in Navy Pier, to refund its Series 2011 bond
11 outstanding currently in the amount of \$4.1 million
12 and held by Wells Fargo Bank, as well as pay for
13 constructing and equipping of a new third stage on
14 Navy Pier.
15 The proposed bonds will be purchased
16 directly by the Northern Trust Company for a term
17 maturity, if you will, of 12 years; however, it is
18 expected by Northern Trust and the borrower's
19 financial advisor that the proposed debt service
20 payments will be sufficient to repay in full the

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21 principal and interest in eight years.

22 If you turn to page 11 in our confidential
23 section, again we provided a projected financial
24 forecast. We forecast sufficient operating cash

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1 flows to repay the debt service by at least 1.62
2 times, beginning in 2016 and increasing thereafter.

3 Concerning the estimated fee, we are
4 providing an amendment fee of \$5,000 for the
5 refunding of the Series 2011 bond, and the new money
6 portion of the bonds will be in accordance with our
7 regular fee schedule.

8 By way of background, very briefly, the
9 construction of the third stage will be under a term
10 of a lease of 15 years with renewable options for up
11 to 90 years with Navy Pier, Inc. Navy Pier, Inc.,
12 is a 501(c)(3) entity that manages and operates Navy
13 Pier, which is owned by the Metropolitan Pier and
14 Exposition Authority.

15 We recommend approval, and I can take any
16 questions.

17 MEISTER: If I may, Mr. Chairman.

18 CHAIRMAN FUNDERBURG: Please.

19 MEISTER: I just wanted the Board Members to
20 know that, and to remind folks, and particularly the
21 newer members, Mr. Fletcher was promoted to
22 assistant vice-president in July.

23 Mr. Fletcher has been with us for a number
24 of years. Many of you may see him in the role of

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1 assistant secretary here at the meetings, but I also
2 want you to know that as again with his presentation
3 today, he has been following a career path here at
4 the Authority.

5 He has Mr. Frampton's confidence. He has
6 mine. And these are two very complicated
7 transactions, and I think he did a very nice job
8 with them.

9 FLETCHER: Thank you. We should vote, take a
10 vote on No. 4.

11 CHAIRMAN FUNDERBURG: Okay. I would like to
12 ask for a motion.

13 MR. POOLE: Motion to approve.

14 CHAIRMAN FUNDERBURG: Is there a second?

15 FUENTES: Second.

16 CHAIRMAN FUNDERBURG: We'll do a voice vote on
17 that.

18 FLETCHER: Because there is an abstention, I
19 think a roll call would be pertinent.

20 CHAIRMAN FUNDERBURG: Please.

21 FLETCHER: So on the motion, I'll call the roll
22 for the approval of Item No. 4, the project reports
23 and resolutions.

24 Member Anderberg on the phone?

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1 ANDERBERG: Yes.

2 FLETCHER: Ms. Bronner?

3 BRONNER: Yes.
4 FLETCHER: Mr. Fuentes?
5 FUENTES: Yes.
6 FLETCHER: Mr. Goetz?
7 GOETZ: Yes.
8 FLETCHER: Mr. Israelov?
9 ISRAELOV: I'm abstaining.
10 FLETCHER: And declaring in a statement the
11 reason, please.
12 ISRAELOV: Chicago Shakespeare theater is a
13 client of my employer, and a partner of my employer
14 sits on the board of directors of Chicago
15 Shakespeare Theater.
16 FLETCHER: Thank you very much. Ms. Juracek?
17 JURACEK: Yes.
18 FLETCHER: Mr. Knox?
19 KNOX: Yes.
20 FLETCHER: Mr. Pedersen?
21 PEDERSEN: Yes.
22 FLETCHER: Mr. Pool e?
23 POOLE: Yes.
24 FLETCHER: Mr. Yonover?

MARZULLO REPORTING AGENCY (312) 321-9365

♀

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1 YONOVER: Yes.
2 FLETCHER: Mr. Zeller?
3 ZELLER: Yes.
4 FLETCHER: And Mr. Chairman?
5 CHAIRMAN FUNDERBURG: Yes.
6 FLETCHER: Mr. Chairman, the motion carries.
7 CHAIRMAN FUNDERBURG: Thank you. Please

8 continue.

9 FLETCHER: Moving along to Tab No. 8.

10 ISRAELOV: Chairman Funderburg, for Item No. 8
11 as well, I also will be recusing myself from
12 deliberation and consideration, in addition to
13 abstaining from voting.

14 CHAIRMAN FUNDERBURG: Okay, thank you.

15 FLETCHER: Tab No. 8 is a proposed resolution
16 authorizing extension of the IFA, previously IEFA,
17 the Educational Facilities Authority Commercial
18 Paper Program.

19 This is a housekeeping matter whereby the
20 Authority is required every five years to authorize
21 continuance of the Commercial Paper Pool Financing
22 Program. This program was established in 1995,
23 again by one of our predecessor agencies, the
24 Educational Facilities Authority.

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1 Current borrowers, or members, of the '95
2 pool, include Lincoln Park Zoo, The University of
3 Chicago Medical Center and North Shore University
4 Health Systems. This resolution you are considering
5 will provide authority for repricing every 7 to 270
6 days, in the aggregate amount of not-to-exceed
7 \$433,200,000.

8 However, the current outstanding amount is
9 approximately \$225,000,000, just to provide a little
10 context there. JP Morgan Securities remains the
11 broker dealer and Northern Trust Bank continues to

MINUTES Board of Directors 2015-10 Final Draft.txt
12 provide a direct pay letter of credit, in
13 conjunction with this Pool Financing Program.

14 I can take any questions.

15 CHAIRMAN FUNDERBURG: No questions. Is there a
16 motion to adopt that resolution?

17 GOETZ: So moved.

18 CHAIRMAN FUNDERBURG: Is there a second?

19 PEDERSEN: Second.

20 CHAIRMAN FUNDERBURG: All in favor, please say
21 aye. We'll do a roll.

22 FLETCHER: On the motion, I'll call the roll.
23 Member Anderberg on the phone?

24 ANDERBERG: Yes.

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1 FLETCHER: Ms. Bronner?

2 BRONNER: Yes.

3 FLETCHER: Mr. Fuentes?

4 FUENTES: Yes.

5 FLETCHER: Mr. Goetz?

6 GOETZ: Yes.

7 FLETCHER: Mr. Israelov?

8 ISRAELOV: Abstaining.

9 FLETCHER: Declaring in a statement, please,
10 the reason.

11 ISRAELOV: Attorneys at my employer sit on the
12 board of directors, and a number of the borrowers,
13 including The University of Chicago, Northwestern
14 University, The University of Chicago Medical Center
15 and the Rehabilitation Institute of Chicago.

16 FLETCHER: Duly noted. Thank you.

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17 Ms. Juracek?

18 JURACEK: Aye.

19 FLETCHER: Mr. Knox?

20 KNOX: Yes.

21 FLETCHER: Mr. Pederson?

22 PEDERSEN: Yes.

23 FLETCHER: Mr. Pool e?

24 POOLE: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365

‡

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1 FLETCHER: Mr. Yonover?

2 YONOVER: Yes.

3 FLETCHER: Mr. Zeller?

4 ZELLER: Yes.

5 FLETCHER: And Mr. Chairman?

6 CHAIRMAN FUNDERBURG: Yes.

7 FLETCHER: Mr. Chairman, the motion carries.

8 CHAIRMAN FUNDERBURG: Thank you. Is there any
9 other business to come before the Board? No other
10 business? Okay. Public comment? This is your
11 chance.

12 Okay, no public comment. I would like to
13 ask for a motion to adjourn.

14 JURACEK: So moved.

15 CHAIRMAN FUNDERBURG: Is there a second?

16 KNOX: Second.

17 CHAIRMAN FUNDERBURG: Mr. Knox. All in favor,
18 please say aye.

19 (A chorus of ayes.)

20 CHAIRMAN FUNDERBURG: Any opposed?

21 MINUTES Board of Directors 2015-10 Final Draft.txt
(No response.)

22 CHAIRMAN FUNDERBURG: The meeting is adjourned.

23 Thank you all very much.

24 (WHICH WERE ALL THE PROCEEDINGS HAD AT 10:30 A.M.)

MARZULLO REPORTING AGENCY (312) 321-9365

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1 STATE OF ILLINOIS)
2 COUNTY OF COOK) SS:

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

11
12 PAMELA A. MARZULLO/
License No. 084-001624

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MARZULLO REPORTING AGENCY (312) 321-9365
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ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD VOICE VOTE
 OCTOBER 8, 2015 AGENDA OF THE REGULAR MEETING OF THE BOARD
 ADOPTED

October 8, 2015

11 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	NV	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD VOICE VOTE
 SEPTEMBER 10, 2015 MINUTES OF THE REGULAR MEETING
 OF THE BOARD, AS EDITED
 ADOPTED

October 8, 2015

11 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	NV	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

October 8, 2015

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg
(VIA AUDIO CONFERENCE)

Y Bronner

Y Fuentes

Y Goetz

E Horne

Y Israelov

Y Juracek

Y Knox

E O'Brien

Y Pedersen (ADDED)

Y Poole

E Tessler

Y Yonover

Y Zeller

Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD ROLL CALL
 RESOLUTION 2015-1008-AG01
 BEGINNING FARMER REVENUE BOND – BRADLEY A. LEGG & NINA K. LEGG
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

October 8, 2015

12 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD ROLL CALL
 RESOLUTION 2015-1008-BI02
 FREIGHT TRANSFER FACILITIES REVENUE BOND – CENTERPOINT JOLIET
 TERMINAL RAILROAD, LLC
 CONFIRM AND RESTATE AUGUST 2007 PRELIMINARY
 PASSED*

October 8, 2015

12 YEAS	0 NAYS	0 PRESENT
Y Anderberg (VIA AUDIO CONFERENCE)	Y Israelov	Y Poole
Y Bronner	Y Juracek	E Tessler
Y Fuentes	Y Knox	Y Yonover
Y Goetz	E O'Brien	Y Zeller
E Horne	Y Pedersen (ADDED)	Y Mr. Chairman

* – Consent Agenda
 E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD ROLL CALL
 RESOLUTION 2015-1008-NP03
 501(c)(3) REVENUE BOND – NAZARETH ACADEMY
 FINAL
 PASSED*

October 8, 2015

12 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD ROLL CALL
 RESOLUTION 2015-1008-NP04
 501(c)(3) REVENUE BOND – CHICAGO SHAKESPEARE THEATER
 FINAL
 PASSED

October 8, 2015

11 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	A	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD ROLL CALL
 RESOLUTION 2015-1008-HC05
 501(c)(3) REVENUE BOND – RIVERSIDE HEALTH SYSTEM
 FINAL
 PASSED*

October 8, 2015

12 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-1008-HC06
501(c)(3) REVENUE BOND – THE PASSAVANT MEMORIAL AREA HOSPITAL
ASSOCIATION
PRELIMINARY
PASSED*

October 8, 2015

12 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-1008-AD07
LOCAL GOVERNMENT DIRECT BOND PURCHASE – CITY OF BLUE ISLAND
FINAL
WITHDRAWN

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-1008-AD08
RESOLUTION AUTHORIZING EXTENSION OF (IFA) IEFA COMMERCIAL PAPER
REVENUE NOTES PROGRAM FOR FIVE YEARS
ADOPTED

October 8, 2015

11 YEAS

0 NAYS

0 PRESENT

Y	Anderberg (VIA AUDIO CONFERENCE)	A	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 BOARD OF DIRECTORS
 BOARD ROLL CALL
 RESOLUTION 2015-1008-AD09

RESOLUTION TO AUTHORIZE AN EMERGENCY PURCHASE UNDER THE PROCUREMENT CODE TO COMPETITIVELY SELECT AND ENTER INTO CONTRACTS WITH NECESSARY PARTIES, INCLUDING BUT NOT LIMITED TO LENDERS, UNDERWRITERS, TRUSTEES OR PAYING AGENTS, SERVICERS, PRINTERS, ROAD SHOW PROVIDERS, AND/OR RATING AGENCIES, TO FINANCE ONE OR MORE PROJECTS AUTHORIZED UNDER THE ILLINOIS FINANCE AUTHORITY ACT, INCLUDING PUBLIC PURPOSE PROJECTS, THE PROCEEDS OF WHICH WILL BE USED TO ADDRESS ONE OR MORE OF THE FOLLOWING IN THE ABSENCE OF AN ENACTED APPROPRIATION FOR FISCAL YEAR 2016, A COURT ORDER OR A CONSENT DECREE: (I) THREAT(S) TO PUBLIC HEALTH OR PUBLIC SAFETY, (II) IF IMMEDIATE EXPENDITURE IS NECESSARY FOR REPAIRS TO STATE PROPERTY IN ORDER TO PROTECT AGAINST FURTHER LOSS OR DAMAGE TO STATE PROPERTY, (III) TO PREVENT OR MINIMIZE SERIOUS DISRUPTION OF CRITICAL STATE SERVICES THAT AFFECT HEALTH, SAFETY, OR COLLECTION OF SUBSTANTIAL STATE REVENUES, OR (IV) TO ENSURE THE INTEGRITY OF STATE RECORDS; AND OTHER MATTERS RELATED THERETO
 ADOPTED

October 8, 2015

12 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg (VIA AUDIO CONFERENCE)	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz	E	O'Brien	Y	Zeller
E	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
 E – Denotes Excused Absence

FINANCIAL ANALYSIS

November 12, 2015

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL REPORTS
MONTHLY AND ANNUAL SUMMARY AS OF OCTOBER 31, 2015***

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

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**FISCAL YEAR 2015 UPDATE-UNAUDITED**

- a. **Total Annual Revenues:** \$4,304,748
- b. **Total Annual Expenses:** (\$3,977,147)
- c. **Total Net Transfers In:** \$293,956
- d. **Total Annual Net Income:** **\$621,557**

FISCAL YEAR 2016-UNAUDITED

- a. **Total Annual Revenues** equal \$2.2 million and are \$619 thousand or 39% higher than budget; due primarily to **higher** than expected closing fees year to date for the fiscal year. Closing fees year to date of \$1.7 million, are \$607 thousand or 55% **higher** than budget. Annual fees of \$120 thousand are on par with the budgeted amount. Administrative service fees are \$25 thousand for the year versus the annual budgeted amount of \$15 thousand. Application fees also total \$25 thousand and are \$15 thousand higher than budgeted. Total accrued interest income from the former IRBB local governments and others totaled \$332 thousand. Net investment income stands at \$55 thousand for the fiscal year and is \$3 thousand lower than the budget.
- b. In **October**, the Authority generated \$448 thousand in closing fees. Closing fees were received from: **Columbia College** for \$113 thousand; **Plymouth Place** (senior facility) for \$111 thousand; **Riverside Health System** for \$92 thousand; **Nazareth Academy** for \$70 thousand; **Advocate Health Care** for \$48 thousand and various **Agriculture Related Closings** totaling \$13 thousand. Application fees of \$11 thousand were received from various local fire districts/governments in relation to the FY16 Fire Truck loan applications. October recorded a net investment loss of \$13 thousand.
- c. **Total Annual Expenses** of \$1.3 million, which is \$343 thousand or 21% lower than budget, are mostly driven by vacant budgeted staff positions and delays in IT projects and purchases. Year to date employee expenses total \$580 thousand and professional services totals \$492 thousand; with each function at 25% and 17% below budget, respectively. Annual occupancy costs of \$98 thousand and are 17% higher than budgeted driven mostly by additional build-out costs for the Chicago Office. General and administrative costs are \$115 thousand for the year, which is 13% under budget.
- d. **Total Annual Net Income** is \$959 thousand. The major driver of the positive bottom line continues to be the level of overall spending at 21% below budget, in addition to increased revenue from closing fees in the months of September and October.

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

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS
MONTHLY AND ANNUAL SUMMARY AS OF OCTOBER 31, 2015***

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Authority, as of October 31, 2015, is a \$120 million dollar agency which also currently accounts for \$279 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for nearly \$24 billion in outstanding debt.

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

In the General Fund, IFA continues to maintain a strong balance sheet with total net position of \$53.5 million. The total assets in the General Fund are \$54.4 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$28.9 million, notes receivables for the former IRBB local governments total \$20.2 million, other loans receivables are at \$2.8 million and restricted cash and investments in the DACA Loan Fund totals \$1.3 million. Liabilities, current and non-current, total just \$918 thousand.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

- a. In accordance with governmental accounting standards, the "Other State of Illinois Debt Fund" is comprised of bond activity for the Illinois Environmental Protection Agency (IEPA), the Illinois Medical District Commission (IMDC) and Northern Illinois University Foundation (NIUF). The majority of the activity in this fund derives from the Clean Water Initiative for IEPA. Total assets and liabilities in this fund each total \$158.1 million.
- b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of \$129 thousand. New Fire Truck revolving loans, totaling \$5.8 million, have been processed and will be disbursed upon the Authority's final administrative review. The Authority has also received notice of OSFM's intent to issue Ambulance loans during this fiscal year, with disbursement projected to take place in the third quarter. Net position of \$22.3 million for Fire Truck and \$4.2 million for Ambulance, are reported on the Authority's balance sheet.
- c. The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses in relation to the Authority's agricultural loan guarantee program. As of June 30, 2015, the Agricultural Guarantee Fund has expensed an actual payout of \$155 thousand in relation to a previously litigated case and the Agribusiness Fund includes a loss reserve of \$563 thousand for potential loan loss payouts. Restricted net position for these funds totals \$10.2 million and \$7.9 million respectively.
- d. All other nonmajor funds booked combined year to date revenues of \$72 thousand, of which, \$59 thousand is derived from investment activity. Year to date expenses total \$3 thousand as of October. Total Net Position in the remaining nonmajor funds is \$39.6 million.
- e. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of \$37 thousand in the custody of the Authority. The Illinois Finance Authority NFP Development Fund, has a total net position of \$25 thousand.

5. FY14 AND FY15 FINANCIAL/COMPLIANCE AUDITS and GASB UPDATES

- a. Fieldwork for the FY14 and FY15 compliance and financial audits nearing completion.
- b. The Authority is also seeking to finalize its FY15 CAFR in the next week.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

- a. The Schedule of Debt is being presented as supplementary financial information in the financial statements tab of the board package. The Monthly Flash Report will be distributed for the Board's review at the December board meeting.



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2016 AS OF OCTOBER 31, 2015
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
Operating Revenues:																
Closing Fees	177,507	292,080	792,030	447,890	-	-	-	-	-	-	-	-	1,709,507	1,102,648	606,859	55.0%
Annual Fees	16,990	11,752	14,204	76,691	-	-	-	-	-	-	-	-	119,637	119,234	403	0.3%
Administrative Service Fees	-	15,000	10,000	-	-	-	-	-	-	-	-	-	25,000	5,000	20,000	400.0%
Application Fees	3,000	4,800	6,100	11,100	-	-	-	-	-	-	-	-	25,000	10,300	14,700	142.7%
Miscellaneous Fees	139	1,213	-	341	-	-	-	-	-	-	-	-	1,693	1,833	(140)	-7.6%
Interest Income-Loans	83,318	82,857	82,675	82,712	-	-	-	-	-	-	-	-	331,562	341,310	(9,748)	-2.9%
Other Revenue	-	973	169	207	-	-	-	-	-	-	-	-	1,349	14,667	(13,318)	-90.8%
Total Operating Revenue:	\$280,954	\$ 408,675	\$905,178	\$618,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,213,748	\$ 1,594,992	\$ 618,756	38.8%
Operating Expenses:																
Employee Related Expense	141,053	142,455	148,939	148,049	-	-	-	-	-	-	-	-	580,496	778,410	(197,914)	-25.4%
Professional Services	106,155	59,247	135,614	191,313	-	-	-	-	-	-	-	-	492,329	596,026	(103,697)	-17.4%
Occupancy Costs	19,832	23,793	11,217	42,809	-	-	-	-	-	-	-	-	97,651	83,472	14,179	17.0%
General & Administrative	29,890	28,028	30,081	27,120	-	-	-	-	-	-	-	-	115,119	132,125	(17,006)	-12.9%
Depreciation and Amortization	6,078	6,120	6,120	6,120	-	-	-	-	-	-	-	-	24,438	62,694	(38,256)	-61.0%
Total Operating Expense	\$303,008	\$ 259,643	\$331,971	\$415,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,310,033	\$ 1,652,727	\$ (342,694)	-20.7%
Operating Income(Loss)	\$ (22,054)	\$ 149,032	\$573,207	\$203,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 903,715	\$ (57,735)	\$ 961,450	1665.3%
Nonoperating Revenues (Expenses)																
Miscellaneous Non-Opertg Rev/(Exp)	-	-	-	-	-	-	-	-	-	-	-	-	-	(167)	167	-100.0%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,333	(3,333)	-100.0%
Interest and Investment Income	25,941	26,361	26,202	21,742	-	-	-	-	-	-	-	-	100,246	108,733	(8,487)	-7.8%
Realized Gain (Loss) on Sale of Inves	(473)	(1,332)	(442)	(502)	-	-	-	-	-	-	-	-	(2,749)	(4,333)	1,584	-36.6%
Net Appreciation (Depr) in FV of Inve:	(12,645)	(26,167)	32,129	(35,752)	-	-	-	-	-	-	-	-	(42,435)	(45,667)	3,232	-7.1%
Total Nonoperating Rev (Exp)	\$ 12,823	\$ (1,138)	\$ 57,889	\$ (14,512)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,062	\$ 61,899	\$ (6,837)	-11.0%
Net Income (Loss) Before Transfer:	\$ (9,231)	\$ 147,894	\$631,096	\$189,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958,777	\$ 4,164	\$ 954,613	22925.4%
Transfers:																
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Income (Loss)	\$ (9,231)	\$ 147,894	\$631,096	\$189,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958,777	\$ 4,164	\$ 954,613	22925.4%



ILLINOIS FINANCE AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND NET INCOME
 IFA FUNDS AND AGENCY FUND ACTIVITY
 FOR FISCAL YEAR 2016 AS OF OCTOBER 31, 2015
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:								
Closing Fees	1,709,507	-	-	-	1,709,507	-	1,709,507	-
Annual Fees	119,637	-	-	-	119,637	-	119,637	-
Administrative Service Fees	25,000	-	-	-	25,000	-	25,000	-
Application Fees	25,000	-	-	-	25,000	-	25,000	-
Miscellaneous Fees	1,693	129,031	-	107	130,831	-	130,831	-
Interest Income-Loans	331,562	-	-	12,759	344,321	1,044,005	1,388,326	-
Other Revenue	1,349	-	-	-	1,349	-	1,349	-
Total Operating Revenue:	\$ 2,213,748	\$ 129,031	\$ -	\$ 12,866	\$ 2,355,645	\$ 1,044,005	\$ 3,399,650	\$ -
Operating Expenses:								
Employee Related Expense	580,496	-	-	-	580,496	-	580,496	-
Professional Services	492,329	992	588	2,132	496,041	-	496,041	-
Occupancy Costs	97,651	-	-	-	97,651	-	97,651	-
General & Administrative	115,119	-	-	-	115,119	-	115,119	-
Interest Expense	-	-	-	1,230	1,230	1,045,593	1,046,823	-
Depreciation and Amortization	24,438	-	-	-	24,438	-	24,438	-
Total Operating Expense	\$ 1,310,033	\$ 992	\$ 588	\$ 3,362	\$ 1,314,975	\$ 1,045,593	\$ 2,360,568	\$ -
Operating Income(Loss)	\$ 903,715	\$ 128,039	\$ (588)	\$ 9,504	\$ 1,040,670	\$ (1,588)	\$ 1,039,082	\$ -
Nonoperating Revenues (Expenses):								
Interest and Investment Income	100,246	26,121	12,546	78,973	217,886	1,588	219,474	-
Realized Gain (Loss) on Sale of Investment	(2,749)	656	2,542	(306)	143	-	143	-
Net Appreciation (Depr) in fair value of Investments	(42,435)	(2,006)	(6,821)	(19,425)	(70,687)	-	(70,687)	-
Total Nonoperating Revenues (Expenses)	\$ 55,062	\$ 24,771	\$ 8,267	\$ 59,242	\$ 147,342	\$ 1,588	\$ 148,930	\$ -
Net Income (Loss) Before Transfers	\$ 958,777	\$ 152,810	\$ 7,679	\$ 68,746	\$ 1,188,012	\$ -	\$ 1,188,012	\$ -
Transfers:								
Transfers in from other funds	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 958,777	\$ 152,810	\$ 7,679	\$ 68,746	\$ 1,188,012	\$ -	\$ 1,188,012	\$ -



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
 October 31, 2015
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:								
Current Assets:								
Unrestricted:								
Cash & cash equivalents	5,176,964	-	-	13,603	5,190,567	-	5,190,567	-
Investments	6,770,493	-	-	661,326	7,431,819	-	7,431,819	-
Receivables from pending investment sales	554,598	-	-	-	554,598	-	554,598	-
Accounts receivable, Net	168,232	-	-	-	168,232	-	168,232	-
Loans receivables, Net	2,003,113	-	-	-	2,003,113	-	2,003,113	-
Accrued interest receivable	315,546	-	-	5,053	320,599	-	320,599	-
Bonds and notes receivable	1,677,800	-	-	-	1,677,800	-	1,677,800	-
Due from other funds	19,661	-	-	-	19,661	-	19,661	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-	3,000,000	-
Prepaid Expenses	186,909	-	-	-	186,909	-	186,909	-
Total Current Unrestricted Assets	\$ 16,873,316	\$ -	\$ -	\$ 3,679,982	\$ 20,553,298	\$ -	\$ 20,553,298	\$ -
Restricted:								
Cash & Cash Equivalents	432,321	6,261,013	18,286	3,210,816	9,922,436	51,285,818	61,208,254	37,101
Deposits in transit	-	-	42	-	42	-	42	-
Investments	261,115	290,521	3,836,308	4,236,686	8,624,630	-	8,624,630	-
Accrued interest receivable	2,960	2,076	6,360	33,724	45,120	21,524	66,644	-
Due from primary government	-	-	-	155,000	155,000	-	155,000	-
Bonds and notes receivable from State component units	-	-	-	-	-	1,074,042	1,074,042	-
Loans receivables, Net	-	22,835	12,500	71,913	107,248	-	107,248	-
Total Current Restricted Assets	\$ 696,396	\$ 6,576,445	\$ 3,873,496	\$ 7,708,139	\$ 18,854,476	\$ 52,381,384	\$ 71,235,860	\$ 37,101
Total Current Assets	\$ 17,569,712	\$ 6,576,445	\$ 3,873,496	\$ 11,388,121	\$ 39,407,774	\$ 52,381,384	\$ 91,789,158	\$ 37,101
Non-current Assets:								
Unrestricted:								
Investments	16,907,071	-	-	1,168,956	18,076,027	-	18,076,027	-
Loans receivables, Net	770,633	-	-	-	770,633	-	770,633	-
Bonds and notes receivable	18,519,237	-	-	-	18,519,237	-	18,519,237	-
Total Noncurrent Unrestricted Assets	\$ 36,196,941	\$ -	\$ -	\$ 1,168,956	\$ 37,365,897	\$ -	\$ 37,365,897	\$ -
Restricted:								
Cash & Cash Equivalents	-	-	-	600,000	600,000	-	600,000	-
Investments	582,604	59,765	34,863	7,046,410	7,723,642	3,272,080	10,995,722	-
Funds in the custody of the Treasurer	-	1,449,370	61,820	18,030,531	19,541,721	-	19,541,721	-
Loans receivables, Net	-	14,173,884	247,280	1,379,419	15,800,583	-	15,800,583	-
Bonds and notes receivable from primary government	-	-	-	-	-	70,120,077	70,120,077	-
Bonds and notes receivable from State component units	-	-	-	-	-	31,598,665	31,598,665	-
Total Noncurrent Restricted Assets	\$ 582,604	\$ 15,683,019	\$ 343,963	\$ 27,056,360	\$ 43,665,946	\$ 104,990,822	\$ 148,656,768	\$ -
Capital Assets								
Capital Assets	801,669	-	-	-	801,669	-	801,669	-
Accumulated Depreciation	(753,010)	-	-	-	(753,010)	-	(753,010)	-
Total Capital Assets	\$ 48,659	\$ -	\$ -	\$ -	\$ 48,659	\$ -	\$ 48,659	\$ -
Total Noncurrent Assets	\$ 36,828,204	\$ 15,683,019	\$ 343,963	\$ 28,225,316	\$ 81,080,502	\$ 104,990,822	\$ 186,071,324	\$ -
Total Assets	\$ 54,397,916	\$ 22,259,464	\$ 4,217,459	\$ 39,613,437	\$ 120,488,276	\$ 157,372,206	\$ 277,860,482	\$ 37,101



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
 October 31, 2015
 (PRELIMINARY AND UNAUDITED)

DEFERRED OUTFLOWS OF RESOURCES:
 Deferred loss on debt refunding
TOTAL DEFERRED OUTFLOWS OF RESOURCES

Total Assets & Deferred Inflows of Resources

GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
-	-	-	-	-	719,467	719,467	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 719,467	\$ 719,467	\$ -
\$ 54,397,916	\$ 22,259,464	\$ 4,217,459	\$ 39,613,437	\$ 120,488,276	\$ 158,091,673	\$ 278,579,949	\$ 37,101



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
 October 31, 2015
 (PRELIMINARY AND UNAUDITED)

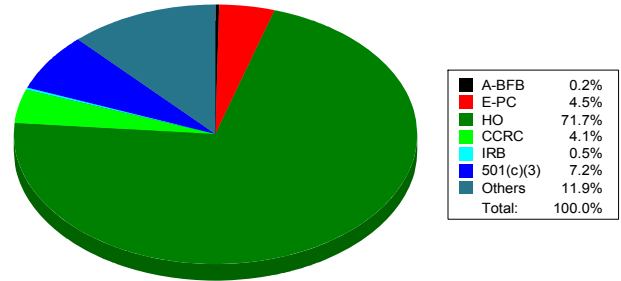
	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:								
Current Liabilities:								
Payable from unrestricted current assets:								
Accounts payable	174,058	-	-	279	174,337	-	174,337	-
Accrued liabilities	456,197	-	-	-	456,197	-	456,197	-
Due to employees	101,017	-	-	-	101,017	-	101,017	-
Due to primary government	80,001	-	-	-	80,001	-	80,001	-
Due to other funds	-	-	-	19,661	19,661	-	19,661	-
Other liabilities	-	-	-	-	-	-	-	37,101
Unearned revenue, net of accumulated amortization	106,168	-	-	-	106,168	-	106,168	-
Total Current Liabilities Payable from Unrestricted Current Assets	\$ 917,441	\$ -	\$ -	\$ 19,940	\$ 937,381	\$ -	\$ 937,381	\$ 37,101
Payable from restricted current assets:								
Accounts payable	-	992	588	1,742	3,322	-	3,322	-
Accrued interest payable	-	-	-	3,433	3,433	1,489,524	1,492,957	-
Bonds and notes payable from primary government	-	-	-	-	-	10,605,000	10,605,000	-
Bonds and notes payable from State component units	-	-	-	-	-	841,018	841,018	-
Current portion of long term debt	-	-	-	59,984	59,984	-	59,984	-
Other liabilities	-	-	-	155,000	155,000	-	155,000	-
Unamortized bond premium	-	-	-	-	-	2,349,877	2,349,877	-
Total Current Liabilities Payable from Restricted Current Assets	\$ -	\$ 992	\$ 588	\$ 220,159	\$ 221,739	\$ 15,285,419	\$ 15,507,158	\$ -
Total Current Liabilities	\$ 917,441	\$ 992	\$ 588	\$ 240,099	\$ 1,159,120	\$ 15,285,419	\$ 16,444,539	\$ 37,101
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	585	-	-	-	585	-	585	-
Assets	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Payable from restricted noncurrent assets:								
Noncurrent payables	-	-	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	97,675,000	97,675,000	-
Bonds and notes payable from State component units	-	-	-	-	-	37,206,537	37,206,537	-
Noncurrent portion of long term debt	-	-	-	309,096	309,096	-	309,096	-
Noncurrent loan reserve	-	-	-	562,675	562,675	-	562,675	-
Unamortized bond premium	-	-	-	-	-	7,924,717	7,924,717	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	\$ -	\$ -	\$ -	\$ 871,771	\$ 871,771	\$ 142,806,254	\$ 143,678,025	\$ -
Total Noncurrent Liabilities	\$ 585	\$ -	\$ -	\$ 871,771	\$ 872,356	\$ 142,806,254	\$ 143,678,610	\$ -
Total Liabilities	\$ 918,026	\$ 992	\$ 588	\$ 1,111,870	\$ 2,031,476	\$ 158,091,673	\$ 160,123,149	\$ 37,101
Net Position:								
Net Investment in Capital Assets								
Restricted	48,659	-	-	-	48,659	-	48,659	-
Unrestricted	-	22,105,662	4,209,192	33,588,660	59,903,514	-	59,903,514	-
Current Change in Net Position	52,472,454	-	-	4,844,161	57,316,615	-	57,316,615	-
Total Net Position	\$ 53,479,890	\$ 22,258,472	\$ 4,216,871	\$ 38,501,567	\$ 118,456,800	\$ -	\$ 118,456,800	\$ -
Total Liabilities & Net Position	\$ 54,397,916	\$ 22,259,464	\$ 4,217,459	\$ 39,613,437	\$ 120,488,276	\$ 158,091,673	\$ 278,579,949	\$ 37,101

Bonds Issued - Fiscal Year Comparison for the Period Ending October 31, 2015

Fiscal Year 2014

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

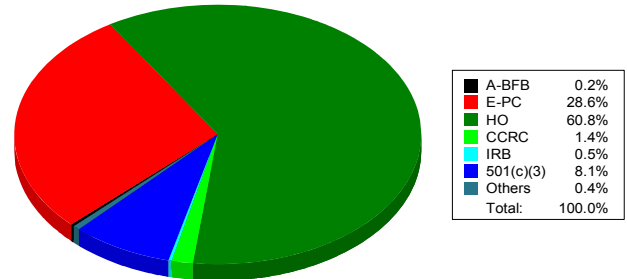
Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	4,154,742
4	Education	788,149,000
11	Healthcare - Hospital	1,416,385,000
1	Healthcare - CCRC	39,640,000
2	Industrial Revenue	14,000,000
11	501(c)(3) Not-for-Profit	236,986,075
1	Local Government	12,000,000
45		\$ 2,511,314,817

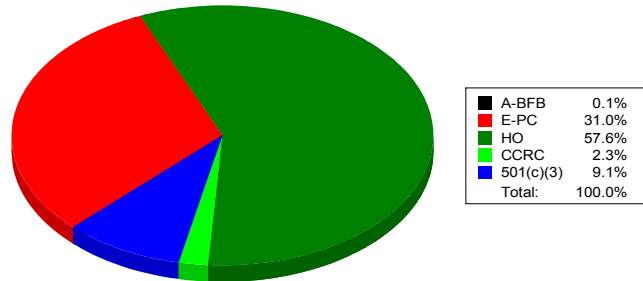
Bonds Issued in Fiscal Year 2015



Fiscal Year 2016

#	Market Sector	Principal Issued
3	Agriculture - Beginner Farmer	891,850
4	Education	529,667,000
8	Healthcare - Hospital	983,160,000
1	Healthcare - CCRC	39,030,000
4	501(c)(3) Not-for-Profit	155,165,000
20		\$1,707,913,850

Bonds Issued in Fiscal Year 2016





**Bonds Issued and Outstanding
as of
October 31, 2015**

Bonds Issued between July 01, 2015 and October 31, 2015

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginning Farmer Bond	07/01/2015	Fixed at Schedule	891,850	0
E-PC North Central College	07/09/2015	Variable	30,177,000	0
501(c)(3) Shedd Aquarium Society	07/24/2015	Fixed at Schedule	22,945,000	22,945,000
501(c)(3) Field Museum of Natural History	07/28/2015	Variable	88,500,000	88,500,000
HO Little Company of Mary Hospital	08/18/2015	Variable	102,000,000	72,000,000
HO The Joint Commission	08/26/2015	Fixed at Schedule	16,000,000	0
501(c)(3) Providence St. Mel	09/01/2015	Variable	19,040,000	9,800,000
501(c)(3) Goodman Theatre	09/01/2015	Fixed at Schedule	24,680,000	24,680,000
CCRC Villa St. Benedict	09/10/2015	Fixed at Schedule	39,030,000	37,210,000
E-PC The University of Chicago	09/10/2015	Fixed at Schedule	415,825,000	224,030,000
HO Advocate Health Care	09/25/2015	Fixed at Schedule	100,000,000	100,000,000
HO OSF HealthCare System	09/28/2015	Fixed at Schedule	368,075,000	216,231,343
HO Palos Community Hospital	10/01/2015	Variable	232,015,000	220,145,000
HO Riverside Health Systems	10/13/2015	Variable	37,165,000	37,165,000
E-PC Columbia College Chicago	10/15/2015	Fixed at Schedule	58,465,000	58,465,000
HO Plymouth Place	10/20/2015	Fixed at Schedule	56,260,000	56,260,000
HO Advocate Health Care	10/22/2015	Fixed at Schedule	71,645,000	0
E-PC Nazareth Academy	10/28/2015	Variable	25,200,000	10,500,000
Total Bonds Issued as of October 31, 2015			<u>\$ 1,707,913,850</u>	<u>\$ 1,177,931,343</u>

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

Beginner Farmer Bonds Funded between July 01, 2015 and October 31, 2015

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Travis C. Rovey	09/30/2015	5.00	460,000	80.00	Montgomery
Bryant & Shannon Rister	10/02/2015	5.00	98,100	39.24	Saline
Tyler S. Loschen	10/14/2015	5.00	333,750	50.00	Ford
Total Beginner Farmer Bonds Issued			<u>\$ 891,850</u>	<u>169.24</u>	

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^(a)

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

Section I (a)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	October 31, 2015		
Illinois Finance Authority "IFA" ^(b)				
Agriculture	\$ 48,313,152	\$ 49,205,002		
Education	4,273,041,117	4,735,061,369		
Healthcare	13,533,399,874	14,293,269,250		
Industrial Development [includes Recovery Zone/Midwest Disaster]	695,925,824	688,419,139		
Local Government	294,800,000	318,815,000		
Multifamily/Senior Housing	168,364,435	167,764,305		
501(c)(3) Not-for Profits	1,406,590,039	1,553,427,590		
Exempt Facilities Bonds	249,915,000	199,915,000		
Total IFA Principal Outstanding	\$ 20,670,349,441	\$ 22,005,876,655		
Illinois Development Finance Authority "IDFA" ^(b)				
Education	496,388	496,388		
Healthcare	80,200,000	80,200,000		
Industrial Development	113,009,098	220,257,811		
Local Government	358,231,651	273,877,535		
Multifamily/Senior Housing	704,441,769	84,314,117		
501(c)(3) Not-for Profits	118,035,000	674,994,722		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	\$ 1,374,413,906	\$ 1,334,140,572		
Illinois Rural Bond Bank "IRBB" ^(b)				
Total IRBB Principal Outstanding	\$ -	\$ -		
Illinois Health Facilities Authority "IHFA"	\$ 739,875,000	\$ 694,845,000		
Illinois Educational Facilities Authority "IEFA"	\$ 640,921,000	\$ 580,413,000		
Illinois Farm Development Authority "IFDA" ⁽¹⁾	\$ 15,646,526	\$ 15,587,111		
Total Illinois Finance Authority Debt	\$ 23,441,205,873	\$ 24,630,862,339	\$ 28,150,000,000	\$ 3,519,137,661

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

Section I (b)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	October 31, 2015		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
* Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	36,280,000	34,885,000		
Total General Moral Obligations	\$ 36,280,000	\$ 34,885,000	\$ 150,000,000	\$ 115,115,000
* All the Local Government bonds were defeased as of August 1, 2014.				
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	\$ -	\$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
State Component Unit Bonds ^(c)				
Issued through IDFA ⁽¹⁾	-	-		
Issued through IFA ⁽¹⁾	122,656,626	111,431,357		
Total State Component Unit Bonds	\$ 122,656,626	\$ 111,431,357		

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

Section I (c)	Principal Outstanding		Remaining MDAB Volume Cap
	June 30, 2015	October 31, 2015	
Midwestern Disaster Area Bonds [Flood Relief]	\$ 65,257,870	\$ 65,059,370	N/A

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

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

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

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

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section II

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	October 31, 2015		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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

Section III

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	October 31, 2015		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

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

Section IV

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2015	October 31, 2015			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,173,581	\$ 8,108,370	\$ 7,500,221	\$ 160,000,000	\$ 152,499,779	\$ 6,373,334
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$7,856,950	\$ 8,511,765	\$ 7,936,911	\$ 225,000,000 ^[e]	\$ 217,063,089	\$ 6,746,374
Agri Industry Loan Guarantee Program	\$ 4,543,157	\$ 4,183,105			3,555,639
Farm Purchase Guarantee Program	909,887	906,293			770,349
Specialized Livestock Guarantee Program	2,163,574	1,962,595			1,668,206
Young Farmer Loan Guarantee Program	895,146	884,917			752,180
Total State Guarantees	\$ 16,620,134	\$ 15,437,131	\$ 385,000,000	\$ 369,562,869	\$ 13,119,708

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

Section V

	Principal Outstanding		Cash and Investment Balance
	June 30, 2015	October 31, 2015	
132 Fire Truck Revolving Loan Program Fund # 572	\$ 17,052,813	\$ 14,402,719	\$ 8,061,133
8 Ambulance Revolving Loan Program Fund # 334	\$ 415,920	\$ 259,780	\$ 3,952,464

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

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

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	October 31, 2015		
Environmental [Large Business]				
Issued through IFA	\$ 16,495,000	\$ 14,975,000		
Issued through IDFA	118,035,000	118,035,000		
Total Environmental [Large Business]	\$ 134,530,000	\$ 133,010,000	\$ 2,425,000,000	\$ 2,291,990,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 134,530,000	\$ 133,010,000	\$ 2,500,000,000	\$ 2,366,990,000

Illinois Finance Authority Funds at Risk

Section VII

	Original Amount	Principal Outstanding	
		June 30, 2015	October 31, 2015
Participation Loans			
Business & Industry	23,020,158	1,107,646	1,085,746
Agriculture	6,079,859	96,159	96,159
Participation Loans excluding Defaults & Allowances	29,100,017	1,203,805	1,181,905
Plus: Legacy IDFA Loans in Default		858,458	843,173
Less: Allowance for Doubtful Accounts		1,002,182	976,359
Total Participation Loans		1,060,081	1,048,719
Local Government Direct Loans	1,289,750	126,000	126,000
Rural Bond Bank Local Government Note Receivable		20,462,037	20,197,037
FmHA Loans	963,250	207,658	193,305
Renewable Energy [RED Fund]	2,000,000	1,302,261	1,270,487
Total Loans Outstanding	34,353,017	23,158,036	22,835,547
IRBB funds were defeased and transferred into a note receivable with the IFA.			

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

Section VIII

	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2015	October 31, 2015		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 ^[d]	\$ 185,000,000

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

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

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

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

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

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

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

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

^[i] Includes EPA Clean Water Revolving Fund

Monthly Procurement Report will be distributed separately.

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher and Patrick Evans
Date: November 12, 2015
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached project
- **Amount:** Up to \$517,700 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$230,000**
- **Calendar Year Summary:** (as of November 12, 2015)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$3,161,702
 - Volume Cap Remaining: \$6,838,298
 - Average Farm Acreage: 52
 - Number of Farms Financed: 13
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - Convey tax-exempt status
 - Will use dedicated 2015 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel: Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A. Project Number:	30357
Borrower(s):	Michael P. & Stephanie L. Taylor
Borrower Benefit:	First Time Land Buyer
Town:	Sterling, IL
IFA Bond Amount:	\$230,000
Use of Funds:	Farmland – 33 acres of farmland
Purchase Price:	\$330,000 / \$10,000 per acre
%Borrower Equity	30.3%
%IFA	69.70%
%Other	0%
Township:	Genesee
Counties/Regions:	Whiteside / Northwest
Lender/Bond Purchase:	Community State Bank of Rock Falls / Dean Zuidema
Legislative Districts:	Congressional: 17
	State Senate: 45
	State House: 89

Principal shall be paid annually in installments determined pursuant to a Twenty-five year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

\$19,100,000 (not-to-exceed)

November 12, 2015

Adler University

REQUEST	<p>Purpose: Bond proceeds will be loaned to Adler University, an Illinois not for profit corporation (the “Borrower”), to provide the Borrower with all or a portion of the funds (i) to acquire real property and improvements commonly known as Floors 15 and 16 and a portion of the 1st Floor lobby located at 1 North Dearborn Street (also known as 17 North Dearborn Street), Chicago, Illinois (collectively, the “Project”) and (ii) to pay costs of issuance of the Bonds and costs related to the Project.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>			
BOARD ACTION	Preliminary Bond Resolution			
MATERIAL CHANGES	None – this is the first time this matter has been presented to the IFA Board of Directors.			
JOB DATA	209	Current jobs	N/A	New jobs projected
	N/A	Retained jobs	N/A	Construction jobs projected
DESCRIPTION	<ul style="list-style-type: none"> ● Location: Chicago (Cook County) ● Type of entity: Adler University is a post-baccalaureate, non-profit institution of higher education and private graduate school of social and health sciences located in Chicago, Illinois and Vancouver, British Columbia (Canada). ● Adler University continues the pioneering work of the first community psychologist Alfred Adler by graduating socially responsible practitioners, engaging communities, and advancing social justice. 			
CREDIT INDICATORS	<ul style="list-style-type: none"> ● The Borrower is a non-rated entity. ● The IFA 501(c)(3) Revenues Bond (Adler University Project), Series 2015 will be purchased directly by MB Financial Bank, N.A. (the “Bond Purchaser”). The Bond Purchaser will be the secured lender and the direct bond investor. 			
SECURITY	<ul style="list-style-type: none"> ● The Bond Purchaser will be secured by a valid, perfected, first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the real property of the Borrower located on the 15th and 16th floors (as well as certain portions of the 1st floor lobby) of the building located at One North Dearborn in Chicago, Illinois (i.e. Adler University’s Chicago campus). ● The Bond Purchaser will also be the Academy’s relationship bank on other credit facilities. The Bank expects all credit facilities, including the Series 2015 Bond, to be cross-collateralized and cross-defaulted. 			
STRUCTURE	<ul style="list-style-type: none"> ● The Bond Purchaser will set an initial fixed or variable rate for 5, 7 or 10 years (with reset provisions at the end of each period), amortized over an expected term of 25 years in connection with the acquisition of the subject real estate. 			
SOURCES AND USES	Sources:		Uses:	
	IFA Revenue Bond	\$19,100,000	Chicago Campus Acquisition	\$25,000,000
	IFF – Subordinate Loan	2,000,000	Costs of Issuance	<u>350,000</u>
	Equity	<u>4,250,000</u>		
	Total	<u>\$25,350,000</u>	Total	<u>\$25,350,000</u>
RECOMMENDATION	Credit Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 November 12, 2015**

Project: Adler University

STATISTICS

Project Number: 12315	Amount: \$19,100,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bond	IFA Staff: Rich Frampton and Brad R. Fletcher
Locations: Chicago	County/Region: Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will be loaned to **Adler University**, an Illinois not for profit corporation (the “**Borrower**”), to provide the Borrower with all or a portion of the funds (i) to acquire real property and improvements commonly known as Floors 15 and 16 and a portion of the 1st Floor lobby located at 1 North Dearborn Street (also known as 17 North Dearborn Street), Chicago, Illinois (collectively, the “**Project**”) and (ii) to pay costs of issuance of the Bonds and costs related to the Project.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bond	\$19,100,000	Uses: Project Costs	\$25,000,000
IFF – Subordinate Loan	2,000,000	Costs of Issuance	<u>350,000</u>
Equity	<u>4,250,000</u>		
Total	<u>\$25,350,000</u>	Total	<u>\$25,350,000</u>

JOBS

Current employment:	209	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Structure/ Security:	<p>The Bond will be purchased directly by MB Financial Bank, N.A. (the “Bank” or “Bond Purchaser”), and held as an investment. The Bank will be secured by a valid, perfected, first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the real property of the Borrower located on the 15th and 16th floors (as well as certain portions of the 1st floor lobby) of the building located at One North Dearborn in Chicago, Illinois (i.e., Adler University’s Chicago campus).</p> <p>The Series 2015 Bond will be cross-collateralized and cross-defaulted with all other credit facilities.</p>
Interest Rate:	<p>The Bond Purchaser will set an initial fixed or variable rate for 5, 7 or 10 years (with reset provisions at the end of each period), amortized over an expected term of 25 years in connection with the acquisition of the Chicago campus.</p>
Maturity:	<p>The IFA 501(c)(3) Revenue Bond, Series 2015 will have a not-to-exceed maturity of 25 years from the issuance date..</p>
Estimated Closing Date:	<p>December 2015</p>
Rationale:	<p>The proposed financing will reduce monthly payments that (together with other funds available to the Borrower) will assist in helping Adler University keep its fixed charges (including exchanging costly rent expense at its Chicago campus’ in favor of more cost effective debt service payments) as low as possible.</p> <p>As a result, reduced expenses will allow Adler to direct additional resources to the students it serves rather than overhead costs.</p>

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be loaned to **Adler University**, an Illinois not for profit corporation (the “**Borrower**”), to provide the Borrower with all or a portion of the funds (i) to acquire real property and improvements commonly known as Floors 15 and 16 and a portion of the 1st Floor lobby located at 1 North Dearborn Street (also known as 17 North Dearborn Street), Chicago, Illinois (collectively, the “**Project**”) and (ii) to pay costs of issuance of the Bonds and costs related to the Project.

BUSINESS SUMMARY

Background: **Adler University** (“**Adler**” or the “**Borrower**”), formerly known as the Adler School of Professional Psychology until January 5, 2015, is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code of 1986, as amended.

Adler University is governed by an 18-member Board of Trustees (see p. 6 for listing).

Description: Adler University was established in 1952 as a private, not-for-profit institution of higher education and is the oldest independent school of psychology in North America, providing masters and doctorate degrees in psychology. Adler University requires all of its applicants to have baccalaureate degrees from an accredited college or university.

Adler currently has campuses located in Downtown Chicago and Vancouver, British Columbia (Canada). In addition to providing graduate level professional education, Adler supplements its educational mission by providing psychological services, research, and professional publications. Adler also performs research, training, and other services under grants and contracts with third-party sponsors.

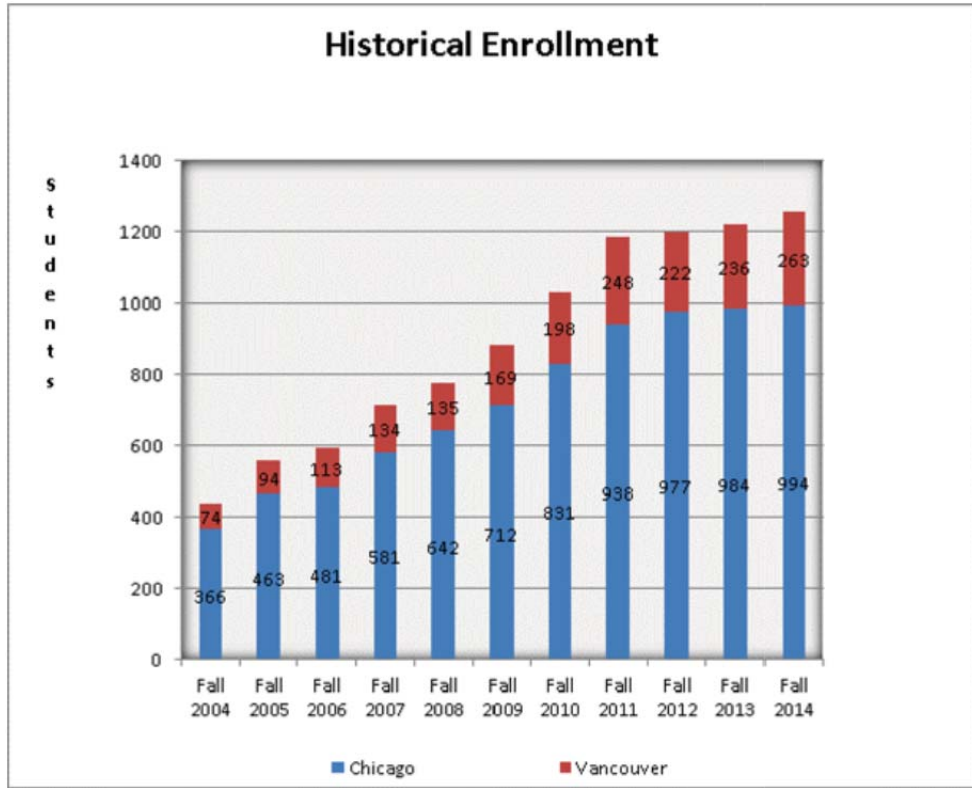
Adler University is named after Alfred Adler (1870-1937), the first community psychologist to initiate group counseling, family counseling, and public mental health education. Alfred Adler also pioneered community, preventative, and positive psychologies. Adler University continues the pioneering work of the first community psychologist Alfred Adler by graduating socially responsible practitioners, engaging communities, and advancing social justice.

Adler University, as a higher education institution, continues his work today through the production of three outcomes which are specified in their mission:

1. **Socially Responsible Practitioners:** Socially responsible practitioners are educated to be effective personal and social change agents in the pursuit of justice.
2. **Community Engagement:** Community engagement is collaborative partnership that strengthens communities, provides service, and prepares students.
3. **Social Justice:** Social justice refers to equitable distribution of economic, political, civil, cultural, social, and other resources and opportunities in society in order to promote the optimal development of persons and communities.

The three outcomes of the University’s mission are interconnected conceptually as well as through the organization of Adler University. The University's education and training prepares students to be socially responsible practitioners who engage communities and advance social justice, during both their course of study and their later professional lives. The University directly engages communities – through over 500 community partnerships including the direct service contracts of Adler Community Health Services and the training relationships which support delivery of students' Community Service Practice – in order to provide students with experience training in socially responsible practice and to advance social justice within those communities. The University's Institutes for Social Change bring attention to social justice within the University through stimulating changes in the curricula and through specific didactic and experiential activities for students and faculty – as well as promote social justice beyond the boundaries of the University through engaging communities in a variety of programming

Adler currently employs approximately 96 full-time equivalent faculty members. The combined student-teacher ratio at the University is 12.8:1 with an average class size of 10.1 students. In addition to the senior administrative staff, the Academy currently employs approximately 113 full-time equivalent administrative and support staff. The University’s enrollment over the last 10 years has grown significantly. From the 2004 school year through 2014, enrollment grew from 440 total students to 1,257 students. Historical enrollment growth trends for the Chicago and Vancouver Campus are depicted in the chart below:



Accreditations: Adler University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The University offers a doctoral program in clinical psychology, accredited by the American Psychological Association (“APA”), and eight master's programs. The APA must award accreditation every 10 years. The re-approval for accreditation was last completed in the fall of 2011 and the University was accredited for a 10-year cycle.

APA also granted its maximum accreditation of seven years to Adler’s Doctoral Program in Clinical Psychology (PsyD). Seven years is reserved for exemplary accredited programs, and it is the first time that Adler’s PsyD Program has achieved this distinction. Adler University’s Master of Arts in Counseling Psychology, Vancouver Campus, has ministerial consent to offer the MA Counseling degree under the authority of the Degree Quality Assessments Board.

IFF Facility

Loan Program: IFF’s Facility Loan Program supports capital projects, including acquisition, construction, renovation/rehabilitation and leasehold improvements. Additionally, IFF’s Facility Loan Program can be used in the refinancing of such uses in support of nonprofit entities expanding programs.

Currently, terms of the Facility Loan Program range from a term of 5 to 15 years and loan amounts are between \$10,000 to \$2.0 million.

As proposed, an IFF Facility Loan will provide subordinate financing to support the acquisition of the Chicago campus Adler University currently leases, thereby facilitating the senior loan (i.e., the IFA Series 2015 Bond).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Adler University

Contact: Jeff Green, Vice President of Finance and Technology
(T) 312-662-4000; Email: jgreen@adler.edu

Website: <http://www.adler.edu/>

Site Location: 17 North Dearborn, Chicago, IL 60602 (i.e. lobby, 15th and 16th Floors of One North Dearborn)

Seller Disclosure: Adler University currently leases its Chicago campus at the One North Dearborn building from BCSP OND Property LLC, a Delaware limited liability company.

BCSP OND Property LLC is indirectly 100%-owned and controlled by BCSP VII Investments, L.P., a Delaware limited partnership, which is majority-owned and controlled by Beacon Capital Strategic Partners VII, L.P., a Delaware limited partnership (the "Fund"). No single investor owns more than a 20% interest in the Fund.

The Fund is managed by Beacon Capital Partners, LLC, a Delaware limited liability company. Please visit <http://www.beaconcapital.com> for more information.

(Note: at the time of closing/funding of the Series 2010 Bond, Adler's lessor was One North Dearborn Properties, LLC, also a Delaware limited liability company.)

Lessor
Disclosure
(Vancouver
Campus):

Adler University leases its campus real estate which is located in Vancouver, British Columbia (Canada) from Mottistone Holdings LTD.

Project name: IFA 501(c)(3) Revenue Bond (Adler University Project), Series 2015

Board of
Trustees:

David Sinski, M.A., Chairman
Betsy Brill, M.B.A.
Janet Campbell, M.S.W.
Victoria Chou, Ph.D.
Renee Citera
Raymond E. Crossman, Ph.D.
Nick Delgado
Vicky Dinges
Doug Harris
Grace Hou, M.P.A.
Noland Joiner
Barry Kaufman
Joy MacPhail
Harold Mosak, Ph.D.
Audrey Peeples, M.M.
Juan Salgado, MUP
Bernard Shulman, M.D.
Eric C. Warner, M.S.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight LLP	Chicago, IL	David Allswang Barbara Adams
Auditor:	Crowe Horwath LLP	Chicago, IL	
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bank/Direct Bond Purchaser:	MB Financial Bank, N.A.	Chicago, IL	Bernard Bartilad John Sassaris Jessica Andujar-Redman
Subordinate Lender:	IFF	Chicago, IL	Laurie Garrett Sara Walton Andy Walters
Subordinate Lender Counsel:	Guerard Kalina & Butkus	Wheaton, IL	Mark F. Kalina
Bank Counsel:	Thompson Coburn LLP	St. Louis, MO	Sara E. Kotthoff Victor A. DesLaurier
IFA Counsel:	To be engaged		
IFA Financial Advisor:	Sycamore Financial Advisors	Chicago, IL	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	3
State House:	5

November 12, 2015

\$30,000,000
Sarah Bush Lincoln Health System

REQUEST	<p>Purpose: Bond proceeds from the sale of the Series 2015 Bonds together with other funds, will be used to enable Sarah Bush Lincoln Health System (“SBLHS”, the “Health Center”, or the “Borrower”) to (i) fund the final \$10,500,000 of a \$48 million Master Facility Plan, (ii) \$8,700,000 of construction and renovation of Medical/Surgical units, (iii) \$6,900,000 construction of a new Cardiology wing, (iv) approximately \$2,500,000 on campus infrastructure work, (v) renovation of Central Sterile, (vi) construction of a new clinic in Toledo, IL, and (vii) pay a portion of the cost of issuing the debt.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	<p>Final Bond Resolution Voting Record: (August 13, 2015) – Preliminary Bond Resolution – 13 Yeas 0 Nays 0 Present 2 Absent</p>																				
MATERIAL CHANGES	<p>None.</p>																				
JOB DATA	<table data-bbox="365 884 1388 961"> <tr> <td>2,125</td> <td>Current jobs</td> <td>90</td> <td>New jobs projected</td> </tr> <tr> <td>2,125</td> <td>Retained jobs</td> <td>60</td> <td>Construction jobs projected</td> </tr> </table>	2,125	Current jobs	90	New jobs projected	2,125	Retained jobs	60	Construction jobs projected												
2,125	Current jobs	90	New jobs projected																		
2,125	Retained jobs	60	Construction jobs projected																		
DESCRIPTION	<ul style="list-style-type: none"> ● Mattoon (Coles County) and Toledo (Cumberland County) ● SBLHS has a total of 2,125 employees (1,724 FTE’s) providing a full range of acute care services to residents of Coles County and the surrounding six counties. SBLHS serves a seven-county region in East Central Illinois, encompassing a drawing population of approximately 156,000 people. The SBLHS medical staff includes physicians in 28 specialty areas and approximately 206 physicians with hospital privileges at Sarah Bush Lincoln Health Center. The Physician System Practices of SBLHS include approximately 91 employed physicians and 50 mid-level providers. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> ● Underlying rating of A+ (S&P) ● Bank private placement with Bank of America 																				
SECURITY	<ul style="list-style-type: none"> ● Secured by gross revenue pledge and a negative pledge on assets 																				
MATURITY	<ul style="list-style-type: none"> ● Not later than 2042 																				
SOURCES AND USES	<table data-bbox="365 1484 1388 1730"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td>\$30,000,000</td> <td>Reimbursement</td> <td>\$10,000,000</td> </tr> <tr> <td></td> <td></td> <td>Project Fund</td> <td>\$19,700,000</td> </tr> <tr> <td></td> <td></td> <td>Est. Cost of Issuance</td> <td><u>\$300,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$30,000,000</u></td> <td>Total</td> <td><u>\$30,000,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$30,000,000	Reimbursement	\$10,000,000			Project Fund	\$19,700,000			Est. Cost of Issuance	<u>\$300,000</u>	Total	<u>\$30,000,000</u>	Total	<u>\$30,000,000</u>
Sources:		Uses:																			
IFA Bonds	\$30,000,000	Reimbursement	\$10,000,000																		
		Project Fund	\$19,700,000																		
		Est. Cost of Issuance	<u>\$300,000</u>																		
Total	<u>\$30,000,000</u>	Total	<u>\$30,000,000</u>																		
RECOMMENDATION	<p>Credit Review Committee recommends approval</p>																				

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 March 8, 2015**

Project: Sarah Bush Lincoln Health System

STATISTICS

Project Number	12309	Amount:	\$30,000,000 (Not-to-Exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Location:	Mattoon, Toledo	County/	
		Region:	Coles County and Cumberland County / Southeastern

BOARD ACTION

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

PURPOSE

Bond proceeds will be used to (i) fund the final \$10,500,000 of \$48 million Master Facility Plan, (ii) \$8,700,000 of construction and renovation of “Med/Surg” units, (iii) \$6,900,000 construction of a new Cardiology wing, (iv) approximately \$2,500,000 on campus infrastructure work, (v) renovation of Central Sterile, (vi) construction of a new clinic in Toledo, IL, and (vii) pay a portion of the cost of issuing the debt.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	2,125	Projected new jobs:	90
Jobs retained:	2,125	Construction jobs:	60

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$30,000,000</u>	Uses:	Project Fund	\$19,700,000
				Reimbursement	\$10,000,000
				Issuance Costs	<u>\$300,000</u>
Total		<u>\$30,000,000</u>	Total		<u>\$30,000,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	The IFA Series 2015 Bonds will be secured by Master Trust Indenture that includes a pledge of gross revenues and a negative pledge on assets.
Structure:	Bank direct purchase by Bank of America.
Interest Rate:	Not to exceed 5%
Interest Mode:	Variable rate bonds - TBD
Underlying Borrower Rating:	Although the subject Bonds will not be rated (due to the bank direct purchase structure), the Borrower currently has a direct underlying rating of A+ by Standard and Poor's.
Maturity:	2042 (25 Years)
Estimated Closing Date:	October 19, 2015

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The proceeds of the IFA Series 2015 Bonds will be combined with other funds and used to (i) fund the final \$10,500,000 of the \$48 million Master Facility Plan, (ii) \$8,700,000 of construction and renovation of "Med/Surg" units, (iii) \$6,900,000 construction of a new Cardiology wing, (iv) approximately \$2,500,000 on campus infrastructure work, (v) renovation of Central Sterile, (vi) construction of a new clinic in Toledo, IL, and (vii) pay a portion of the cost of issuing the debt.

SBLHS has not received their Certificate of Need ("CON") for the new cardiology wing in (iii) above. If the CON is not obtained prior to commencement of construction, SBLHS has provided the Authority with an equivalent list of qualifying substitute projects as an alternative to the construction, renovation and expansion of the new cardiology wing, which are set forth in the resolution.

BUSINESS SUMMARY

Sarah Bush Lincoln Health System ("SBLHS") is centrally located between Mattoon and Charleston, Illinois, which are communities located in East Central Illinois approximately 180 miles south of Chicago. The Health Center's primary service area consists of Coles County, Illinois. The Health Center's secondary service area consists of the six counties surrounding Coles County, which are Clark, Cumberland, Moultrie, Douglas, Shelby and Edgar counties. The tertiary service area consists of three additional counties, Effingham, Jasper and Crawford counties. The Health Center's entire service area is located within a 45-mile radius of the Health Center.

SBLHS has a total of 2,125 employees (1,724 FTE's) providing a full range of acute care services to residents of Coles County and the surrounding six counties. The SBLHS medical staff includes physicians in 28 specialty areas and approximately 145 physicians with hospital privileges at Sarah Bush Lincoln Health Center. The Physician System Practices of SBLHS include approximately 57 employed physicians and 25 mid-level providers.

The main health center facility was completed in 1977 as a four-story facility with a partial basement, consisting of 200,000 gross square feet (the "Main Health Center Facility"). The Health Center is licensed for 129 beds. Services currently located and provided in this facility include: Obstetrics/Gynecology, Level II Nursery, Pediatrics, Medical and Surgical Nursing Units, Operating Rooms, Outpatient Surgery Center, Emergency Department, Ambulatory Care Unit, Behavioral Health Services, Laboratory, Radiology, Physical and Occupational Services, Speech & Audiology Services, Cardiac Rehabilitation, Respiratory Therapy, Outpatient Pharmacy, Sleep Studies, Cancer Center, Cardiac Cath Lab, Illinois Breast and Cervical Cancer Center, Home Health and Hospice services.

The 141 employed physicians and mid-level providers service 36 clinics on the main campus plus clinics in the towns of Arcola, Arthur, Casey, Charleston, Mattoon, Neoga, Sullivan and Toledo, Illinois.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: SBLHS Advance Refunding, New Construction and Project Reimbursement

Applicant: Sarah Bush Lincoln Health System
1000 Health Center Drive
Mattoon (Coles County), IL 61938-9253

Contact: Dennis Pluard, CFO and V/P of Operations, 217.258.2102, Website: DPluard@sblhs.org

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

State: Illinois

Board Members:

Health Center Board Members

Lyla McGuire – Chairperson	Lori Cudone, MD	Jim Littleford
Steve Wente – Vice Chair	Jeanne Dau	Ray Rieck
Michael Stanfield – Secretary	Don Davis	Michael Smith
Tim Mooney – Treasurer	Steve Honselman	Tina Stovall
Laurel Allenbaugh	Kiran Joag, MD	Scott Wilson
Sheryl Artmann, MD	Phillip Kepp, DDS	
Chris Considine	John Lauer, MD	

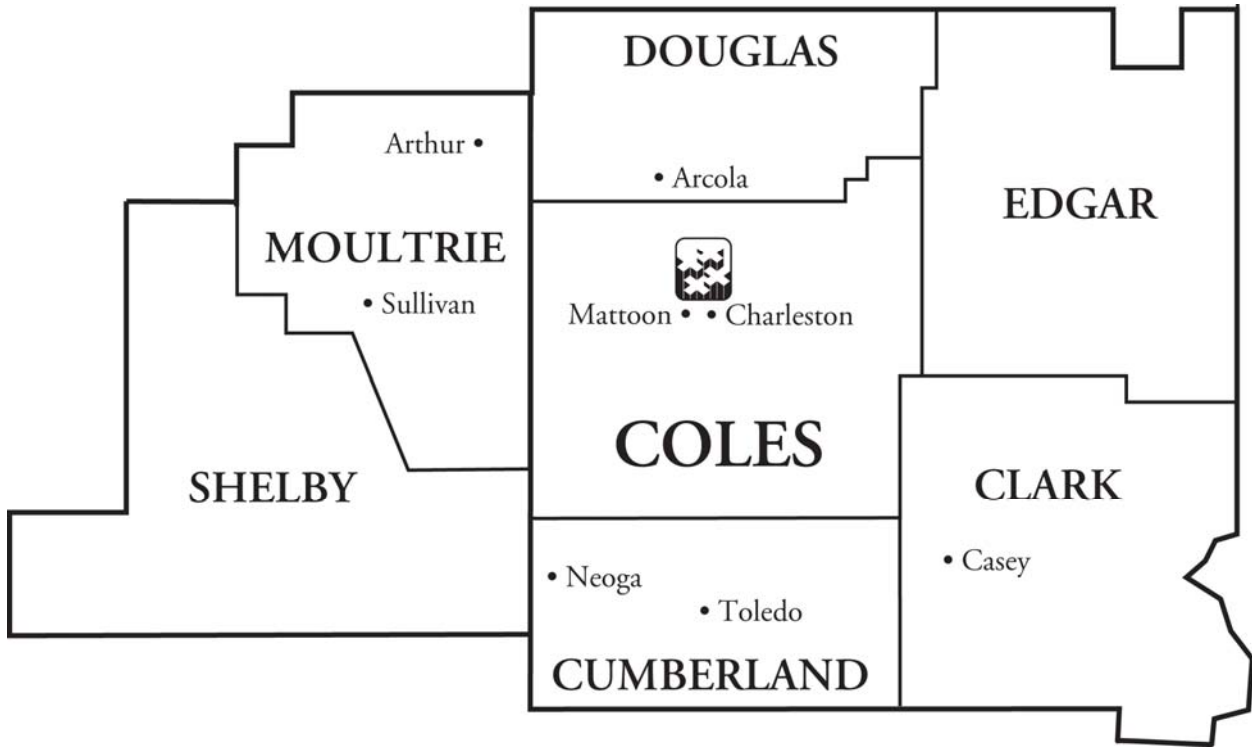
PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	Hinshaw & Culbertson	Chicago, IL	Leslie Richards-Yellen
Financial Advisor:	Ponder & Co.	Valparaiso, IN	Michael Tym
Bond Counsel:	Chapman and Cutler LLC	Chicago, IL	Daniel Bacastow
Bank:	Bank of America	Chicago, IL	Cherie Boettcher
Bank’s Counsel:	Chapman and Cutler LLC	Chicago, IL	David Field
Master Trustee:	First Mid-Illinois Bank	Mattoon, IL	Laura Walk
Issuer’s Counsel:	Miller, Hall & Triggs, LLC	Chicago, IL	Rick Joseph
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional: 15
State Senate: 55
State House: 110

SERVICE AREA



November 12, 2015

\$24,200,000
The Passavant Memorial Area Hospital Association

REQUEST	<p>Purpose: Bond proceeds will be used by The Passavant Memorial Area Hospital Association to current refund its Series 2006A and 2006 B Bonds as well as pay costs of issuance</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																								
BOARD ACTIONS	<p>Final Bond Resolution Voting Record (October 8, 2015) – Preliminary Bond Resolution – 12 Yeas 0 Nays 0 Present 2 Absent</p>																								
MATERIAL CHANGES	<p>Direct placement with PNC Bank, National Association. Adds Memorial Health System’s corporate guarantee of the debt.</p>																								
JOB DATA	<table border="0"> <tr> <td style="padding-right: 20px;">953</td> <td style="padding-right: 20px;">Current jobs</td> <td style="padding-right: 20px;">0</td> <td>New jobs projected</td> </tr> <tr> <td>1003</td> <td>Retained jobs</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	953	Current jobs	0	New jobs projected	1003	Retained jobs	0	Construction jobs projected																
953	Current jobs	0	New jobs projected																						
1003	Retained jobs	0	Construction jobs projected																						
DESCRIPTION	<ul style="list-style-type: none"> ● Location (Jacksonville / Morgan County / Central) ● Passavant Area Hospital in Jacksonville, Illinois, serves the residents of Morgan, Cass, Greene, Scott, and Macoupin counties in West Central Illinois. The facility is located at 1600 West Walnut, on Jacksonville's west side. ● The Hospital is licensed for 121 patient beds and is staffed by approximately 900 full-time and part-time employees including an active medical staff of 70 physicians. ● The Hospital is also the largest employee in Morgan County and is a Magnet Hospital as recognized by the American Nurses Credentialing Center. ● The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and is a member of the American Hospital Association, the Illinois Hospital Association (IHA), and the Voluntary Hospitals of America (VHA). ● In 2014, Passavant became an affiliate of Memorial Health System. (Springfield) 																								
CREDIT INDICATORS	<ul style="list-style-type: none"> ● Variable Rate Bank direct purchase by PNC Bank, National Association. 																								
SECURITY	<ul style="list-style-type: none"> ● Secured with a security interest in the hospital’s revenues and a guarantee by Memorial Health System issued under Memorial Health System’s Master Trust Indenture. Memorial is currently rated A1 (Moody’s) and AA- (Standard & Poor’s). 																								
MATURITY	<ul style="list-style-type: none"> ● Bonds will mature no later than December 1, 2031 																								
SOURCES AND USES	<table border="0" style="width: 100%;"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align: right;">\$24,200,000</td> <td>Refunding</td> <td style="text-align: right;">\$23,955,000</td> </tr> <tr> <td></td> <td></td> <td>Accrued Interest</td> <td></td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>\$0</u></td> <td>Costs of Issuance*</td> <td style="text-align: right;"><u>245,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$24,200,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$24,200,000</u></td> </tr> <tr> <td></td> <td></td> <td colspan="2" style="text-align: right;">*Estimated</td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$24,200,000	Refunding	\$23,955,000			Accrued Interest		Equity	<u>\$0</u>	Costs of Issuance*	<u>245,000</u>	Total	<u>\$24,200,000</u>	Total	<u>\$24,200,000</u>			*Estimated	
Sources:		Uses:																							
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Total	<u>\$24,200,000</u>	Total	<u>\$24,200,000</u>																						
		*Estimated																							
RECOMMENDATION	<p>Credit Committee recommends approval.</p>																								

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 November 12, 2015**

Project: The Passavant Memorial Area Hospital Association

STATISTICS

Project Number: 12312	Amount:	\$24,200,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Location: Jacksonville, IL	County/Region:	Morgan/Central

BOARD ACTION

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

PURPOSE

The proceeds will be used by **The Passavant Memorial Area Hospital Association** to current refund its Series 2006A and 2006 B Bonds as well as pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	\$24,200,000	Refunding	\$23,955,000
		Accrued Interest	
Equity	<u>\$0</u>	Costs of Issuance*	<u>245,000</u>
Total	<u>\$24,200,000</u>	Total	<u>\$24,200,000</u>
		*estimated	

JOBS

Current employment: 714 FTEs	Projected new jobs: 0 FTEs
Jobs retained: 721 FTEs	Construction jobs: 0 FTEs

FINANCING SUMMARY

Credit Enhancement: None

Structure: Variable rate bank direct purchase PNC Bank, National Association with guarantee by Memorial Health System issued under Memorial Health System's Master Trust Indenture.

Interest Rate: Variable

Interest Rate Modes: Monthly reset

Underlying Ratings: Although the Borrower is not rated, Memorial Health System (i.e., the guarantor) is rated A1 (Moody's) and AA- (S&P).

Maturity: December 1, 2031
Estimated Closing Date: November 20, 2015

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds will be used by **The Passavant Memorial Area Hospital Association** (i) to current refund its Series 2006A and 2006B bonds and (ii) pay costs of issuance

BUSINESS SUMMARY

Background: Passavant Area Hospital in Jacksonville, Illinois, serves the residents of Morgan, Cass, Greene, Scott, and Macoupin counties in West Central Illinois. The facility is located at 1600 West Walnut, on Jacksonville's west side.

The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and is a member of the American Hospital Association, the Illinois Hospital Association (IHA), and the Voluntary Hospitals of America (VHA).

The Hospital is licensed for 121 patient beds and is staffed by approximately 900 full and part-time employees including an active medical staff of 70 physicians.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Passavant Memorial Area Hospital Association

Site Address: Passavant Memorial Area Hospital Association
1600 West Walnut Street
Jacksonville, Illinois 62650

Contact: David Bolen

Website: www.passavanthospital.com

Project name: Passavant Memorial Area Hospital Association, Series 2015

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

State: Illinois

Ownership/2015 Board Members (501(c)(3)):

The Corporate Member of Passavant is Memorial Health System, an Illinois not-for-profit corporation, and any successor to such corporation resulting from merger, consolidation, or other corporate reorganization, herein referred to as the "Corporate Member." If at any time the Corporate Member shall cease to exist and there is no successor corporation, the Board of Directors of Passavant (the "Board of Directors") shall exercise all powers of the Corporate Member until such time as the Board of Directors decides to elect a new Corporate Member. The Corporate Member shall elect the directors of Passavant, from a slate of nominees proposed by the Board of Governors, taking into consideration the recommendations of the Board of Directors, and appoint the President and Chief Executive Officer of Passavant, upon mutual agreement with the Board of Directors, and has certain fundamental reserved powers over incurrence of indebtedness, other financial matters and governance matters.

The Board of Directors consists of sixteen (16) directors, at least one (1) of whom is required to be an active member of the Medical Staff. Additionally, the President and the President of the Medical Staff are ex-officio directors with full voting rights. The term of office of each director, other than the ex officio directors, shall be four (4) years. The ex-officio directors shall serve for as long as they hold their respective offices. The non-ex officio directors shall serve no more than two (2) successive terms. The other sixteen (16) directors shall be elected by the Corporate Member, as their terms expire or as vacancies arise in their positions. The Corporate Member elects each Director from the slate of individuals presented to it by the Board of Governors, taking into consideration the recommendations of the Board of Directors; provided, however, if one or more of the individuals nominated for a position are not acceptable to the Corporate Member and a position remains unfilled, then the Board of Directors is required to submit new slates for the unfilled position until individuals acceptable to the Corporate Member are elected. The non-ex officio directors shall serve staggered terms such that approximately one-fourth (1/4) of the non-ex officio directors are elected each year. The Board of Directors has the power to manage the affairs of Passavant, however, with respect to the reserved fundamental powers of Memorial Health System as Member, it only has the power to recommend to the Member action with respect to such powers; it has no independent authority to take or approve such reserved rights and powers.

Certain members of the Board of Governors shall be appointed by each of the churches situated in the area comprising Morgan County; Scott County; Cass County; a defined portion of Greene County; and the City of Greenfield; and part of Macoupin County (collectively, the "Churches"). The number of representatives from each of the Churches shall be as follows: (1) One (1) from each Church having a membership of two hundred (200) or fewer. (2) Two (2) from each Church having a membership of more than two hundred (200) but not more than five hundred (500). (3) Three (3) from each Church having a membership of more than five hundred (500) but not more than one thousand (1,000). Six (6) members of the Board of Governors shall be appointed by the following organizations (collectively, the "Organizations"), with each Organization appointing two (2) such representatives: (1) The Passavant Memorial Area Hospital Auxiliary; (2) The Passavant Memorial Area Hospital Alumnae Association; and (3) The Passavant Memorial Area Hospital Active Medical Staff. Four (4) members of the Board of Governors shall be the Chairman, Chairman-Elect, Secretary and Treasurer of the Board of Directors, with each serving as the Chairman, Chairman-Elect, Secretary and Treasurer, respectively, of the Board of Governors. The Board of Governors shall approve a slate of qualified nominees for every vacancy of the Board of Directors. A qualified nominee shall: (i) be a resident of the area served by the Corporation, (ii) be willing to accept the responsibilities required as a director of Passavant, and (iii) be available to actively participate in the activities of the Board of Directors. The nominees approved by the Board of Governors will be presented to the Board of Directors for review and recommendation and, subsequently, to the Corporate Member for election to the Board of Directors. At least ninety (90) days prior to the annual meeting of the Board of Governors, the Chairman of the Board of Directors shall appoint, with the approval of the Executive Committee of the Board of Directors, a committee to select a suggested slate of nominees for presentation to the Board of Governors for approval. This committee shall consist of

three (3) Governors who are not members of the Board of Directors and two (2) members of the Board of Directors who also may be, but are not required to be, members of the Board of Governors. The Board of Governors has no formal duties, responsibilities or obligations other than the nomination of directors as noted above.

Current members of the Board of Directors of the Hospital include: Keith Bradbury (Franklin Bank); Ginny Fanning (Morgan County Commissioner); Reggie Benton (Benton & Associates); Dr. Eric Giebelhausen (M.D.); Greg Lepper (Lepper Farms); Kelly Staake (Farmers State Bank & Trust Co.); Gilbert Joehl (Northwestern Mutual Financial Network); Doug Awe (Arends-Awe, Inc.); Phyllis Lape, Ph.D. (retired-educator); Dr. Steven Lillpop (M.D.); James Hinchin (retired-M.D.); Gary Scott (WLDS/WEAI Radio Station); Nancy Spangenberg (retired-RN); Don Headen (Headen Farms); Tom Veith (attorney).

PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	Sorling Northrup	Peoria, IL	James Broadway
Auditor:	Ernst & Young LLP is the auditor for Memorial Health System and Subsidiaries		
Bank:	PNC Bank, National Association	Peoria, IL	Michael Zeller
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Dan Bacastow
Bank Counsel:	Thompson Coburn LLP	St. Louis, MO	Deborah Rush
Bond Trustee:	NA – Series 2006 A&B will be a direct placement with payments remitted directly to the purchasing bank (PNC Bank, N.A.)		
Issuer’s Counsel:	Hart, Southworth & Witsman	Springfield, IL	Samuel Witsman
Issuer’s Advisor:	Acacia Financial Group, Inc.	Chicago	Jim Beck

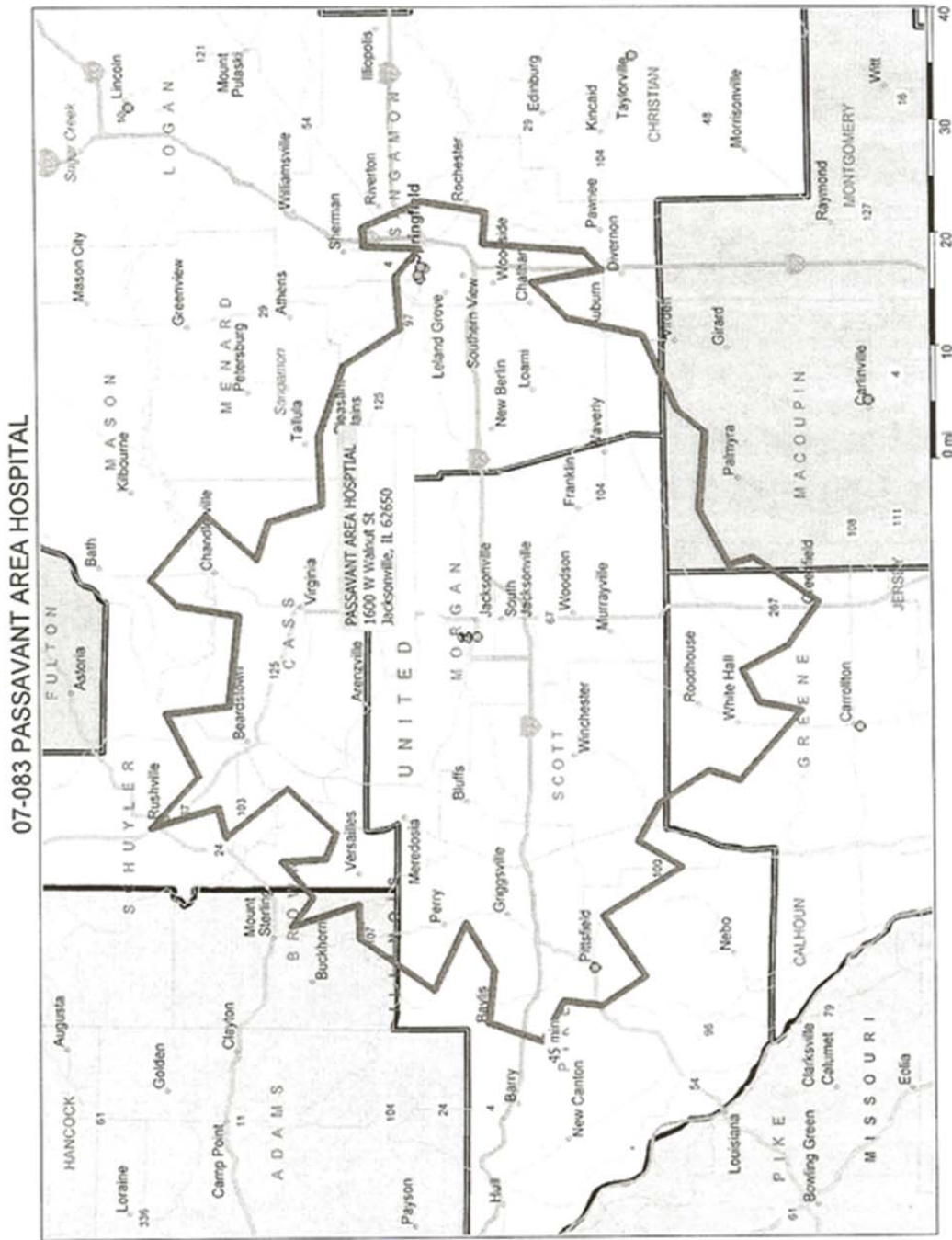
LEGISLATIVE DISTRICTS

Congressional:	18
State Senate:	50
State House:	100

SERVICE AREA

The Passavant Memorial Area Hospital Association is an acute care hospital located in Jacksonville, Illinois, the county seat of Morgan County, approximately 90 miles north of St. Louis, Missouri, and 35 miles west of Springfield, Illinois. The Corporation was originally established in 1875 and was incorporated in 1906 as an Illinois not-for-profit corporation.

Passavant is the only hospital in Morgan, Cass, and Scott Counties (see attached map). There is only one other hospital in Passavant’s primary service area, Thomas Boyd Memorial Hospital located in Carrollton (Greene County) approximately 35 miles away from Passavant. Boyd is a 33-bed facility used primarily for long term care and is not considered to be a competitive facility by Hospital management.



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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: November 12, 2015

Re: Resolution Authorizing the Execution and Delivery of a First Amendment to Bond and Loan Agreement Relating to the Industrial Development Revenue Bonds (Alef Sausage, Inc. Project), Series 2010 of the Illinois Finance Authority; and Related Matters
IFA Series 2010 File Number: I-ID-TE-CD-8432

Request:

AML Campus Two, LLC an Illinois limited liability company and **AML Equipment Corporation** (collectively, the “**Borrowers**”) and **First American Bank** (the “**Bond Purchaser**”) are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to Bond and Loan Agreement to modify the borrowing spread and reset the interest rate on the Illinois Finance Authority Industrial Development Revenue Bonds (Alef Sausage, Inc. Project), Series 2010 (the “**Series 2010 Bond**”), as approved by the Bond Purchaser. The accompanying Resolution will also authorize execution and delivery, if necessary, of (ii) a revised Bond in substantially the form set forth in the First Amendment to the Bond and Loan Agreement (the “**Amended Bond**”) and (iii) a Supplemental Tax Regulatory Agreement or certificate related to the tax exemption of the Amended Bond (the “**Supplemental Tax Agreement**”).

The original par amount of the Series 2010 Bond was \$2,959,183.67, which was purchased in whole by First American Bank (which is the Borrower’s relationship bank).

Impact:

Approval of this Resolution will not cause the terms of the Series 2010 Bond to be modified sufficiently to require a new public hearing to be held (as otherwise required by Section 147(f) of the Internal Revenue Code of 1986, as amended. IFA will not charge an administrative fee for this reissuance, consistent with historical practice. Additionally, these actions will not require an allocation of the Authority’s 2015 Volume Cap.

Background:

The Authority issued its Series 2010 Bond and loaned the proceeds to the Borrowers for the purpose of financing (i) the construction of an expansion of a manufacturing facility, (ii) the purchase of additional equipment to be used therein in the manufacturing of sausage and other prepared meats (collectively, the “**Project**”) and (iii) a portion of the costs of issuing the Series Bond.

All payments relating to the IFA Series 2010 Bond are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	Alef Sausage, Inc. (in-house)	Mundelein, IL	
Bond Counsel:	Thompson Coburn LLP	Chicago, IL	Tom Smith
Bond Purchaser:	First American Bank	Elk Grove, IL	Steve Eikenberry Ahmet Markicic
Bank Counsel:	First American Bank (in-house)	Elk Grove, IL	Jim Berton
IFA Financial Advisor:	Acacia Financial Advisors, Inc.	Chicago, IL	Jim Beck

IFA RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT
RELATING TO THE INDUSTRIAL DEVELOPMENT REVENUE
BONDS (ALEF SAUSAGE, INC. PROJECT), SERIES 2010 OF THE
ILLINOIS FINANCE AUTHORITY; AND RELATED MATTERS.**

WHEREAS, the Illinois Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “**Authority**”), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the “**Act**”), has previously issued its \$2,959,183.67 initial aggregate principal amount Industrial Development Revenue Bonds (Alef Sausage, Inc. Project) Series 2010 (the “**Bonds**”); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority entered into a Bond and Loan Agreement dated as of December 1, 2010 (the “**Original Bond Agreement**”) with First American Bank as the direct purchaser of the Bond (the “**Purchaser**”), AML Campus Two, LLC, an Illinois limited liability company (“**AML Campus Two**”) and AML Equipment Corporation, an Illinois corporation (“**AML Equipment**” and, together with AML Campus Two, the “**Borrowers**”), pursuant to which the proceeds of the Bonds were lent by the Authority to the Borrowers for the purpose of financing (i) the construction of an expansion of a manufacturing facility, (ii) the purchase of additional equipment to be used therein in the manufacturing of sausage and other prepared meats (collectively, the “**Project**”) and (iii) a portion of the costs of issuing the Bonds; and

WHEREAS, the Bonds are nearing the end of the initial Interest Period and the Purchaser and the Borrowers desire to (i) set the interest rate for the next Interest Period, (ii) amend the provisions of the Original Bond Agreement to modify the borrowing spread for both the floating rate and fixed rate options for future Interest Periods and to change the variable rate index reference from 1-month Libor to 3-month Libor, and (iii) correct a non-substantive scrivener’s error that appeared in the Original Bond Agreement; and

WHEREAS, the Purchaser, the Borrowers and the Authority now desire to enter into a First Amendment to Bond and Loan Agreement (the “**First Amendment to Bond Agreement**”) and an amended and restated form of the Bonds (the “**Amended Bonds**”) to effect the changes described in the preceding Whereas clause; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of the First Amendment to Bond Agreement, the Amended Bonds, and if deemed necessary or desirable, a Supplemental Tax Regulatory Agreement, or similar agreement or certificate relating to federal tax matters, among the Authority, the Borrowers and the Purchaser (the “**Supplemental Tax Agreement**”) in connection with any deemed reissuance of the Bonds as a result of the amendments; and

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

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

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

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

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

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

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

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

Section 7. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

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

Approved and effective this ____ day of November, 2015 by vote as follows:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION NO. 2015-1112-AD06

**RESOLUTION APPROVING CONTRACT WITH ADP TOTALSOURCE, INC./ADP
TOTALSOURCE MI VII, LLC FOR EMPLOYEE BENEFITS AND PAYROLL
SERVICES**

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

WHEREAS, the Authority has a written procurement policy that allows for small purchases under the Procurement Code in amounts up to \$50,000; and

WHEREAS, the Authority entered into two previous contracts, each for a 60 day period, with ADP TotalSource, Inc./ ADP TotalSource MI VII, LLC (“ADP”) for employee benefits and payroll services under the small purchase provisions of the Procurement Code; and

WHEREAS, during the term of these contracts, two competitive efforts to secure these services from other vendors did not result in a successful procurement; and

WHEREAS, on November 1, 2015, the Authority entered into a further contract with ADP for employee benefits and payroll services (the “November ADP Contract”) under the emergency purchase provisions of the Procurement Code for a 90 day period ending on January 29, 2016 for the amount of \$74,850; and

WHEREAS, pending time to resolicit competitive sealed bids or proposals or explore other options, it is important to insure that continued employee benefits and payroll services are available to keep the Authority in compliance with federal and state law and adequately and properly staffed; and

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

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

Section 2. Approval of November ADP Contract. The execution and delivery of the November ADP Contract by the Authority is hereby confirmed, ratified and approved. If additional actions are necessary or desirable to extend the November ADP Contract beyond the 90 day period, the Executive Director is hereby authorized to take such actions and enter into such agreements as are necessary or desirable to ensure the continuation of the services covered by the November ADP Contract.

Section 3. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply

with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

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

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

Approved and effective this 12th day of November, 2015 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

Memo

To: IFA Board Members
From: IFA Financial Advisors
cc: Lewis Greenbaum
Date: November 11, 2015
Re: Summary of Procurement Process

Introduction

The IFA's financial advisors, Acacia Financial and Sycamore Advisors, offer this memorandum at the request of Chris Meister, Executive Director, as a summary of the steps of the procurement process used to support and recommend a proposed \$115 million transaction, ultimately backed by the moral obligation of the State of Illinois. We look forward to answering any additional questions on the process, candidates, or recommendation.

Emergency Procurement

On October 8, 2015, the IFA Board approved an Emergency Procurement for the IFA pursuant to Resolution 2015-1008-AD09 and statutory authority under the State Prompt Payment Act, 30 ILCS 540 *et seq.*, as amended. The procurement delegated responsibility to the Executive Director for the selection of a financing team to execute a transaction to pay certain invoices of the State of Illinois. The invoices for essential governmental goods and services accrued in part due to the current State budget impasse, and the Emergency Procurement contemplated using the remaining approximately \$115 million (out of an original \$150 million) authority of the IFA pursuant to Section 801-40w of the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) for debt issuance supported by the Moral Obligation (MO) of the State of Illinois.

RFP issuance, addenda and evaluation

On October 8, the IFA released a Request for Proposals (RFP) to banks and underwriters asking for proposals and ideas relating to 1) capital markets transaction; 2) a direct placement; and 3) receivables analysis. Responses were originally due on October 16, 2016; upon multiple vendor requests (indicating the need for a reasonable amount of time to meet with internal credit committees, thereby enhancing the specificity and quality of response), the due date was extended to October 21, 2015 at 5 pm. On October 9, IFA issued a RFP for

trustees, paying agents and bond registrars to complete the financing team, upon successful awarding of a banking partner and culmination of an effective plan of finance.

The banking RFP is attached for reference. The RFP included information on the IFA's statutory and Board authority, ideas for the proposed transaction structure, the scope of work and the proposed schedule.

The RFP noted specific criteria that would be used to evaluate the responses, including debt structure, pricing, innovation and thoroughness of the response; credit quality of the counterparty was a consideration for bank (direct placement) services. The RFP also highlighted the ability of the team to successfully execute the transaction, including an understanding of the likelihood of credit committee approval, depth of investor outreach, and/or capital position. Expediency of execution was a major discussion item in the RFP response. Each respondent answered basic questions, and then firms could choose to respond to capital markets, direct placement, and/or receivables scenarios. The RFP also invited firms to propose a structure or innovation not anticipated by the RFP.

In consultation with its financial advisors, the IFA developed sets of evaluation criteria for (1) capital markets solutions; (2) direct placement options; (3) potential receivables responses; (4) trustee responses; and (5) printer responses. Criteria were completed prior to receiving any responses.

As responses were received, IFA offered additional clarity to its RFP through two addenda posted on its website. These addenda answered all questions sent by vendors, keeping the questioner confidential yet offering the response to all. The extension of response deadline to October 21st was also publicized on the website.

IFA formed a diverse Evaluation Committee to consider all responses, with all members required to read every response. The Evaluation Committee was comprised of 3 IFA staff members (voters) supplemented by non-voting advisors and other IFA staff (both financial advisors, IFA external counsel, the IFA Executive Director and IFA General Counsel.) Committee members spent over 40 hours designing criteria, reading and evaluating responses, and conducting interviews.

IFA received a substantial number of responses to the RFP, with 19 banking responses and 5 trustee responses. Responses were generally clustered in capital markets solutions, with few direct placement and receivables ideas submitted. All responses were checked against deadlines and page limitations and all passed, available for consideration. Responses were evaluated in each criterion by a high, medium or low ranking; heavier weighting was given to certain crucial areas such as ability to execute and creativity.

6 Shortlist oral interviews

Of the 19 banking responses, six were chosen by the Evaluation Committee on the basis of the evaluation criteria as the top ranked responses. The firms represented a cross section of the most well-capitalized, capable, and expert banking institutions in the City of Chicago. The shortlisted firms were invited to participate in oral interviews on October 29 and 30. Through its financial advisors, the IFA sent seven standard questions and several firm-specific questions to the primary contacts in order to guide the interviews. All voting members were present for each interview, with the majority of the non-voting advisors present for all interviews. Representatives from GOMB and the Governor's Office (non-voters) attended the beginning of each interview, to express the State's support of and interest in the transaction outcome.

4 Finalists teleconference

Of the six shortlisted candidates, four firms were chosen by the Evaluation Committee for further analysis and questions. These firms were invited to participate in a 30 minute interview via conference call with the voting and non-voting members of the Evaluation Committee. The teleconference questions were specific and pointed, relating to the proposed financing structure of the firm, timeline of execution and approvals and/or issues that needed addressed in order to execute such a transaction.

The four finalists each gave a thorough and generally well-prepared response. Nonetheless, it was clear which firms did not provide solutions beyond its RFP and shortlist interview. Of the four finalists, one firm stood out: for the ability to execute within a 30 to 45 day timeline, pricing and fees consistent or better than other finalists, preparation and understanding of IFA needs and the MO mechanism, cash flow estimation, and truncated (though appropriately thorough) disclosure requirements to speed the transaction execution.

Recommendations

The Evaluation Committee unanimously chose one leading firm, ranking the other three finalists well below the leading respondent. Noting that the finalists had each put significant effort, time and interest in helping the IFA and State solve its payables dilemma, the Evaluation Committee requested that the Executive Director move forward with a recommendation at the November 12 Board Meeting.

LIST OF RFP RESPONDENTS

Banking RFP

1. Fifth Third Securities
2. Morgan Stanley
3. J. P. Morgan
4. PNC Capital Markets
5. BMO Harris
6. Citigroup
7. Loop Capital
8. Mesirow
9. Cabrera Capital Markets
10. Siebert Brandford Shank & Co
11. Goldman Sachs
12. Wells Fargo
13. Bank of America Merrill Lynch
14. RBC Capital Markets
15. William Blair & Co.
16. Rice Financial
17. Stern Brothers & Co.
18. George K. Baum & Co.
19. Payplant

Trustee RFP

1. Amalgamated Bank
2. Bank of New York Mellon
3. Zions Bank
4. Seaway Bank & Trust
5. US Bank

October 8, 2015

Request for Proposals for Financing Options for Debt Issuances

from

Banks, Credit Providers, Underwriters and Placement Agents

regarding

Illinois Finance Authority proposed debt offering(s)

Responses are due October 19, 2015, 5:00 p.m. CT



Overview

The Illinois Finance Authority (the “IFA” or the “Authority”) seeks financing options along with the best and most cost-effective plan of finance to issue approximately \$115 million (likely taxable) debt, secured by the moral obligation (MO) of the State of Illinois.

We seek proposals from the banking and underwriting community to complete this plan, as authorized under the Emergency Purchase Resolution dated October 8, 2015. This RFP seeks indications for capital markets solutions, direct and private placement opportunities, and syndicated loan structures, as well as any other ideas to effectuate successful borrowings.

The purpose of the issue is to provide funds to pay certain outstanding invoices of the State of Illinois. The Emergency Purchase Resolution allows for the procurement of professionals subject to a competitive process which includes market pricing to evaluate alternative financing options.

The terms of the financings are still being finalized, but in general, the IFA is seeking proposals for an approximately \$115 million issuance, with a maturity ranging from 5 to 10 years (amortization can be up to 25 years) secured by the moral obligation of the State of Illinois, as well as ideas for potential receivables financings. The financings can be structured as a Direct Purchase, a Private Placement or as a capital markets issuance(s). The funds will be used to pay certain essential invoices, during the State’s budget impasse. Revenues to repay the loan or bond, including interest costs, administrative fees (if any) and cost of issuance, will be from anticipated future appropriations for this purpose, not from the general or special funds of the Authority.

The IFA and the State have a history of honoring all debt obligations, including its moral obligation supported debt issuances. As issuer, the IFA conveys lien status and non-impairment restrictions, which enhance bond (or note or lien) holder security. Currently, the IFA has approximately \$35 million of outstanding principal of MO-backed debt, all in the form of fixed rate debt obligations.

The evaluation committee will review responses for structure, pricing, innovation and thoroughness of the response to questions posed in this solicitation, as well as relevant experience of the proposer. For bank products, the credit quality of the counterparty will also be considered. The team will also evaluate the ability of the firm to execute the transaction, including an understanding of the likelihood of credit committee approval, depth of investor outreach, and/or capital position.

We invite you to learn more about the IFA and its existing profile by visiting www.il-fa.com to review our leadership team, current budget, projects being financed, and historical lines of business. In particular, the minutes and all presentations to Board meetings are available online. All questions must be submitted in writing by email by noon CT on Tuesday, October 13, 2015 and directed to Mari Money. The IFA would appreciate an indication of interest by Tuesday October 13 at noon CT (this indication of interest does not obligate an RFP response nor will

failure to indicate interest preclude an RFP response). Responses to questions will be posted on the IFA's website by 5pm CT on Wednesday, October 14, 2015.

Responses to this solicitation are due by 5pm CT on October 19, 2015 and should be delivered in electronic format to Mari Money at the IFA. Please limit responses to 15 pages. Interviews, if needed, will be conducted the week of October 19th.

Acacia Financial and Sycamore Advisors, LLC serve as financial advisors to the IFA.

Authority and Security Structure

The Authority may finance Public Purpose Projects on behalf of the State. In creating the Authority, the General Assembly provided certain statutory tools to issue bonds as well as to make loans and guarantees in order to promote the health, safety, morals and general welfare of the people of the State. 20 ILCS 3501/801-5. If certain essential governmental services and goods are not funded due to the current budget impasse, the health, safety, morals and general welfare of the people of the State could be threatened.

Among these tools, the Authority has the power to finance "public purpose project(s)," which the General Assembly has specifically defined as:

" . . . any project or facility, . . . , which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government." 20 ILCS 3501/801-10(c)

The Authority Act (20 ILCS 3501/801-1 *et seq.*) may also provide for a Public Purpose Project financing using statutory interest through the Prompt Payment Act (30 ILCS 540/1 *et seq.*).

Under the Authority Act, a "unit of government" includes the State "or any agency or instrumentality thereof." 20 ILCS 3501/801(i).

The proposer should evaluate the purchase of taxable rate bonds issued by the IFA (the "Bonds") with level debt service payments, unless other arguments are compelling.

Revenues to repay the loan or bond, including interest costs, administrative fees (if any) and cost of issuance, will be from anticipated future appropriations for this purpose, not from the general or special funds of the Authority.

In addition, the Bonds are supported by the "moral obligation" of the State of Illinois as described in 20 ILCS 3501/801-40(w). This Section provides that, in the event: (i) the IFA determines that monies of the IFA will not be sufficient for the payment of the principal and interest on the Bonds during the next State fiscal year; or (ii) there is a withdrawal of monies from the Debt Service Reserve Fund to pay the Bonds, the Chairperson of the IFA shall certify to the Governor the amount required to pay such principal of and interest on the Bonds, or to restore the Debt Service Reserve Fund to the required level, as the case may be, and the

Governor shall submit the amount so certified to the Illinois General Assembly as soon as practicable, but no later than the end of the current State fiscal year.

Under the Constitution of the State of Illinois (the “State Constitution”) and the laws of the State, the annual budget prepared by the Governor includes both the Governor’s recommendations for the State appropriations and such other information as required by the State Constitution and applicable statutes. Under the State Constitution, any payment of State funds to the IFA is subject to an appropriation approved by the General Assembly. In addition, the Governor’s recommendations for State appropriations are a matter of executive discretion. Thus although Section 801-40(w) of the Authority Act requires that the amount certified by the Chairperson of the Authority to enable it to pay principal and interest on moral obligation bonds shall be submitted by the Governor to the General Assembly as a State appropriation for that purpose; it does not create a debt of, or obligation enforceable against the State. There is no assurance either that such money will be appropriated or that any appropriation will be made at such time so as to ensure timely payment of principal of or interest on the Bonds.

Under the Authority Act, any pledge of revenues or other moneys made by the Authority shall be binding from the time the pledge is made. Revenues and other moneys so pledged shall be held outside of the State treasury and in the custody of either the Treasurer of the Authority or a trustee or a depository appointed by the Authority. Revenues or other moneys so pledged and thereafter received by the Authority or trustee or depository shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be binding against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the Authority. The State pledges and agrees with the holders of bonds or other obligations of the Authority that the State will not limit or restrict the rights vested in the Authority by the Authority Act to purchase, acquire, hold, sell, or dispose of investments or to establish and collect such fees or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of operation to the Authority, and to fulfill the terms of any agreement made with the holders of the bonds or other obligations of the Authority or in any way impair the rights or remedies of the holders of those bonds or other obligations of the Authority until such bonds or other obligations are fully paid and discharged or provision for their payment has been made. (20 ILCS 3501/801-50)

1. Scope of Work

The IFA is considering several taxable transaction options, but welcomes different or innovative approaches from respondents to meet its objectives. Respondents may include one or more options as desired and should include any other potential alternatives. The scope of work will culminate in a successful transaction for IFA.

Options that the IFA has preliminarily evaluated include the following:

- Option One: CAPITAL MARKETS**
 - a) Short-term Solution

- b) Fixed Rate Solution

Option Two: LOAN, DIRECT PURCHASE or PRIVATE PLACEMENT SOLUTIONS

Option Three: OTHER FINANCING IDEAS

- a) Receivables Financing. The Authority Act may also provide for a Public Purpose Project financing using statutory interest through the Prompt Payment Act (30 ILCS 540/1 et seq.). This option includes but is not limited to the assignment or purchase of receivables owed by the State in connection with the completion of or provision of services and goods to the State pursuant to contract.
- b) Other creative financing options are welcome.

2. General Provisions

The IFA will have sole discretion in selecting banks, underwriters and/or placement agent(s) under this RFP, and it reserves the right not to award this assignment to any Offerors. The IFA is not liable for any costs incurred by the Offeror in the preparation of its response to this RFP, and it further reserves the right to waive any irregularity and to further negotiate with any Offeror if such is deemed in the best interest of the IFA. Currently, the IFA intends to select banks, underwriters or placement agent(s) based solely on responses to the RFP, but reserves the right to interview or to follow-up through phone discussion or email, if needed, to further explore and/or clarify any aspects of a response.

IFA requests an indication of interest in responding to the RFP by email to Mari Money, to indicate their interest in responding to the RFP by noon CT on Tuesday, October 13th, 2015. Please include your name, mailing address, email address, telephone and fax numbers so as to be included in any future mailings or notices. This indication of interest does not obligate an RFP response nor will failure to indicate interest preclude an RFP response.

You are requested not to contact IFA personnel, its advisors or counsel directly during this RFP process (other than the submission of RFP and written questions detailed above). **All questions about this RFP shall be submitted to Mari Money, by email at mmoney@il-fa.com. Such questions must be received no later than noon on Tuesday, October 13th.** Answers to all questions will be posted on the IFA website by 5pm CT on Wednesday, October 14th. Answers will be provided, if possible, without disclosure of the identity of the person or party asking the question. There will be no pre-proposal conference. The IFA reserves the right to amend this RFP and any amendments will be posted to the IFA website. The IFA also reserves the right to cancel this RFP and notice of cancellation will be posted to the IFA website.

Banks, Underwriters and Placement Agent(s) will be selected and hired by the IFA, and the IFA will be the main point of contact for all professionals.

Schedule

10/8/15	RFP for banks and underwriters emailed to firms.
10/13/15	Written (emailed) notice of intent to respond requested by noon CT. Any questions related to this RFP must be submitted by noon CT on this date.
10/14/15	Responses to questions posted on IFA website
10/19/15	Responses due by 5PM Central.
Week of 10/19/15	Oral presentations/ in-person interviews will be conducted (if needed).

3. Proposal Format

For those submitting responses for both capital markets solutions and Direct Purchase proposals, your response should be limited to 15 pages (excluding cover letter and appendices). For those submitting a response to just one option, your response should be limited to 7 pages (excluding cover letter and appendices). Please indicate whether, if not selected as an underwriter, your firm might be willing to serve as placement agent should that scenario necessitate the use of one.

All Offerors should submit responses to the following:

1. Please provide a one page cover letter to serve as an executive summary of your proposal.
2. Please list the name, address and telephone number for the primary contact person assigned to work with the IFA. Please identify the key members of your firm that would be assigned to work with the IFA and the anticipated role of each member. Brief biographies of each individual should be included in an appendix.
3. Describe your firm's experience as a senior manager with state level issuers rated in the A and BBB categories, as well as experience with moral obligation issuance, since January 1, 2011. In an appendix, please include a list of transactions over \$25 million, including date of issue, borrower, size and role.
4. Please identify any potential conflicts of interest and how you would resolve them.
5. Please discuss any violations of, or investigation relating to any alleged violation of, Securities and Exchange Commission Rules and/or Municipal Securities Rulemaking Board Rules, or other regulatory actions since January 1, 2010. If none, please provide a statement to that effect.
6. Please provide the names and telephone numbers of three clients (and respective contact persons for those clients) for whom you have provided services similar to those described in this RFP, with a brief description of the work performed. These persons will be considered as references and may be contacted by the IFA in its evaluation of the proposal.
7. Please provide written affirmation that the person(s) submitting the proposal is/are authorized to do so on behalf of the Offeror and certification that, to the best of his or her knowledge,

the information submitted in the technical proposal is accurate, complete, and correct as of the date of the proposal.

8. Please indicate in your responses whether your firm would be receptive to syndicating a smaller portion of the transaction on the same terms that you as the lead bank are proposing.
9. Please indicate how long the pricing terms quoted in your response will be available (i.e. 90 days).

For Offerors submitting responses for capital markets solutions, please answer the following:

1. Please provide a coupon/yield scale and expected spread to MMD as of close of business on October 15, 2015 for the proposed taxable bond transaction. Assume a \$115 million borrowing and an essentially level debt service amortization of no less than 10 years.
2. Please describe your recommended marketing strategy. Discuss your recommendations regarding syndicate structure, including number of co-managers, marketing to retail investors, fee splits and/or designation rules.
3. Discuss thoughts on the essentiality and sizing of a debt service reserve fund to support the financing.
4. Please address the question of whether the IFA should obtain a rating for this financing, and if so, how a rating would save or cost the IFA money in terms of pricing and outright cost. Please discuss your approach to a rating agency strategy. Briefly describe your firm's experience with rating agencies working with credits in Illinois and specifically MO debt.
5. Please provide proposed transaction fees, including takedowns by maturity, estimated expenses and management fee, if any.
6. Please advise whether separate underwriter's counsel will be required (and if so the anticipated fee).
7. If a short term solution is provided, provide commentary on necessary support agreements, credit enhancement, letter of credit or standby bond purchase agreement.
8. If a long term capital markets issuance is suggested, please provide commentary on the anticipated optional prepayment terms (including terms of any premium).
9. The State has receivables that are available to be securitized. Please suggest any ideas for debt and servicing structures that may be secured by the receivable payments; include in your discussion how servicing would be accomplished for a proposed receivables' financing.

For Offerors submitting responses for Direct Purchase or a DP in combination with capital markets, please answer the following:

For proposals of Direct Purchase, please provide the following information, as applicable:

DIRECT PURCHASE			
	Fixed Rate	Variable Rate	
TERM		INDEX	SPREAD
5-YEAR			
7-YEAR			

Please indicate whether you would be willing to provide a 10 year Direct Purchase and, if so, the respective rates for that financing. The Fixed Rate spread should include the basis points spread to the applicable U.S. Treasury maturity.

In addition, please provide an indicative Term Sheet which includes at least the following information:

- Commitment fee
- Closing costs
- Syndication or lead bank fee
- Expected legal fees
- Amendment fees
- Renewal fees and provisions
- Term out provisions
- Covenants regarding regulatory and tax risk
- Covenants regarding participation, assignment and sale
- Covenants regarding any maximum interest rate requirements and any ‘make whole’ provisions
- Termination provisions
- Ratings or downgrade ‘triggers’
- Security and financial covenants
- Any business-related covenants
- Optional prepayment provisions

Certain Preferred Agreement Provisions for a Bank Loan

- Debt or loan is not subject to acceleration.
- No early termination fee.
- No most favored lender covenant.
- No most favored pricing provision.
- Increased cost provision applies only in instances where the increased cost is a result of new regulations and shall not apply to instances of reinterpretation of existing laws or regulations (including Dodd-Frank and Basel III).
- Increased cost provision would apply to participants, but limit the amount payable to such participant to the amount which would have been payable to the bank had there been no participation.
- No maximum interest rate "clawback" provision.
- IFA to retain the ability to secure and/or pay future debt and debt-related obligations with specified tax revenues.
- Illinois law is the governing statute.

**Sample Bank Loan
Proposal Form**

Proposals submitted must complete this form or include responses to all items on this form in order to be considered.

SECTION 1 – GENERAL INFORMATION

Full Legal Name of

Provider: _____

Contact Person:

_____ **Phone:** _____

Fax: _____ **Email:** _____

Bank's Ratings:

Capacity Limitations: Please indicate if your firm has overall limits for providing credit and/or liquidity to the IFA or Illinois credits. Indicate timeframe for Credit Approval, if not already received.

1. List any and all additional fees for which you would expect reimbursement (e.g., Amendment, Origination, etc.) and any expenses other than Legal Counsel.

2. Provide a description of Term-Out Provisions including interest rates and all conditions, if applicable

Bank Counsel: Firm: _____

Primary Contact: _____

Legal Fees and Expenses estimate and cap:

COVENANTS

Please itemize and briefly describe all preferred Security Covenants. List all preferred Termination Events and Events of Default. Identify any key terms, conditions, covenants or other restrictions that you would propose to add to **Certain Preferred Agreement Provisions** above.

1. For proposals of Letters of Credit, please provide the following:

	Short-Term Rating	Long-Term Rating	Outlook
Moody's Investors Service			
Standard & Poors			
Fitch Ratings			

LETTER OF CREDIT	
Maximum Amount:	
Term:	
Facility Fee:	
Termination Fee, if any:	

In addition, please provide an indicative Term Sheet which includes at least the following information:

- Commitment fee
- Closing costs
- Draw fees
- Syndication or lead bank fee
- Expected legal fees
- Amendment fees
- Renewal fees and provisions
- Term out provisions
- Termination provisions
- Ratings or downgrade 'triggers'
- Security and financial covenants

2. Please provide any alternative structures to a Letter of Credit or Direct Purchase that you would recommend to the IFA to effectuate the issuance(s) of the Bonds.
3. Please indicate the length of time your firm would need to obtain final credit approval.

4. Evaluation and Selection

Firms will be evaluated on the basis of the following criteria:

1. Responsiveness to the RFP, including ideas for structuring options or other recommendations with respect to the credit.
2. Demonstrated understanding of the IFA's goals and debt structure.
3. Proposed deal pricing and fee proposals.
4. Experience with similar transactions and institutions.

The responding vendor *must* comply with all certifications, requirements and filings mandated by the Illinois Procurement Code, including Forms A or B as applicable. In addition, Direct

Purchase proposals will be evaluated on the basis of bank credit quality and terms and conditions of the facility.

5. Conclusion

Please send one electronic copy of your response to this Request for Proposals to Mari Money at the IFA.

The IFA reserves the right to request additional information from potential vendors, meet with qualified Offerors to discuss this RFP and the Offeror's proposal and ability to perform the proposed Scope of Work, and to request oral presentations from one or more Offeror.

Thank you for your interest in the IFA.

Please note the Authority may supplement these responses and will post accordingly.

Addendum #1

Questions relating to the Request for Proposals for Financing Options for Debt Issuances from Banks, Credit Providers, Underwriters and Placement Agents dated October 8, 2015

Questions related to Legal Authority and/or Taxability

- What is governing the par amount of \$115MM? Could the IFA issue more?

Section 801-40(w) of the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (herein referred to as the Act) provides for the issuance of moral obligation bonds of the Authority and further provides that the principal amount of Authority bonds outstanding issued under that section and certain other sections, shall not exceed \$150 million. Currently, approximately \$35 million of bonds are outstanding under the relevant sections. Moral obligation bonds are also permitted under other sections of the Act (i.e. see section 825-75 related to, among other things, energy efficiency projects and renewable energy projects subject to additional limits in the aggregate up to \$2 billion and for a specific borrower up to \$450 million).

- Please explain the appropriation process and timing associated with the State's appropriations that will be made to service the IFA's debt. Specifically, will appropriations be enacted and/or specific statutory authority for such appropriations be provided for the benefit of lenders/bondholders prior to the execution of the IFA's contemplated \$115MM moral obligation borrowing?

With respect to the payment of debt service for this anticipated public purpose project, the Illinois Finance Authority intends to request and the Governor's Office of Management and Budget intends to include a line item in the next introduced budget sufficient to pay debt service. If such appropriation is not enacted into law before the date of the next debt service payment, then following consideration and action by the Authority board, the Authority will take the statutory steps to trigger any moral obligation or additional security pledge under 20 ILCS 3501/801-40(w); 20 ILCS 3501/825-40; 825-75

- Capital markets solutions Q1 asks for spreads to MMD. Since this financing is expected to be taxable, we would quote the scale as a spread to Treasuries. Please indicate if the taxable scale as a spread to MMD is still desired.
- In Question 1 for the capital market solutions of the RFP, it asks firms to provide a spread to MMD. Can we assume that the IFA would like firms to spread to Treasury or Treasuries given the assumption that deal is taxable?
- The RFP indicates that the financing is "likely taxable"? Can you elaborate upon the rationale for this decision?
- Is it possible that the issuance will be split between taxable and tax exempt?

- As the financing is “likely taxable”, should our pricing levels for capital markets solutions in response to Q1 be reflected to show a coupon/yield scale and expected spread to the appropriate taxable U.S. Treasury (instead of MMD as stated in the RFP) as close of business on October 15, 2015?
- Has the IFA’s counsel determined that none of the contemplated borrowings would qualify for tax exempt financing? Please explain legal rationale if tax exempt financing is permitted.

The IFA has retained counsel. However, a detailed and thorough tax analysis has not been completed to determine what amount, if any, could be financed on a tax-exempt basis. If proposing a taxable solution, please use the spread to Treasuries. If the solution proposed is tax-exempt, please use MMD. Both are acceptable but quotes should follow suggested solution.

- Are there any specific state or authority level revenues available that can be pledged in addition to the State’s general appropriation?
- Does the State or the Authority have the ability to secure collateral (i.e., cash or other marketable securities) to serve as additional security or for a debt service reserve fund?
- Does the State or the Authority have access to “hard assets” such as buildings, physical plant, etc. that can be used as additional collateral under the indenture for an appropriation backed financing?

The Offeror should assume there will be no additional collateral such as cash, marketable securities, or “hard assets”. However, the IFA desires the most effective finance plan and seeks recommendations that reflect the development of that concept; please include commentary or requirements on the items above, if required.

Questions related to Receivables

- On a “Receivables financing specifically under the State’s Prompt Payment Act”, does the IFA have current enforceability and/or legal opinions that can assure a lender that State legislative authorization currently exists to enter into a third party financing agreement?

No. The IFA has not requested nor received such an opinion.

- If IFA pursued a receivables securitization, could all of the State’s receivables be securitized or are there any limits or restrictions?
- Can the IFA provide additional detail on the amount and nature of the current outstanding receivables?

This answer will vary depending on the details of the transaction to be developed. Offeror should recommend the most cost-effective receivables finance plan and suggest the level and type of receivables transaction that would accomplish those goals.

- Is the ‘customer’ for these receivables the IFA or other State Agencies? If IFA, how much in Receivables are owed currently? The RFP also mentions that the State has receivables to be securitized. What are the receivables for, who are the debtors and what is the approximate current amount of the receivables?

The receivables in question are the State’s receivables, not those of IFA.

- If a vendor whose receivable has been purchased declares bankruptcy how will that affect this transaction?

Offeror should assume certain risk as part of their financing proposals. Offerors are expected to outline their experience and required terms in such financing alternatives.

- Will there be a process in place for identifying receivables to be included within this transaction?
- Will there be a process for tracking payment of those receivables?
- Who will be responsible for identifying eligible receivables to be purchased with funds from this transaction?

Offerors are expected to outline required terms in such financing alternatives. If it is required for the development of the proposal, the Offeror should detail.

- Under the Receivable Financing option, are these receivables owed by the State to its vendors?

Yes

Questions related to Structure, Payment of issuance costs and/or other financing uses

- Could the IFA provide additional guidance on the expected final maturity to use for any scales or analysis? Capital markets solutions Q1 says our scale should be no less than 10 years, while the Overview section says the final maturity will be 5-10 years, but could be up to 25 years.

For Capital Markets solutions, it is anticipated that the transaction will be structured with level debt service, with a 10-20 year amortization. Direct Purchase Solutions are expected to have level debt service, 10-20 year amortization. For Other Options (including receivables) the structure will be determined to be the most cost-effective, financially flexible to the IFA.

- If the Bank proposes a variable interest rate, with monthly interest payments, how will the Authority make payments without a passed budget?
- How is it anticipated that capitalized interest will be repaid?

Revenues to repay the loan or bond, including interest costs, administrative fees (if any) and cost of issuance, will be from anticipated future appropriations for this purpose, not from the general or special funds of the Authority.

In addition, the Bonds are expected to be supported by the “moral obligation” of the State of Illinois as described in 20 ILCS 3501/801-40(w). This Section provides that, in the event: (i) the IFA determines that monies of the IFA will not be sufficient for the payment of the principal and interest on the Bonds during the next State fiscal year; or (ii) there is a withdrawal of monies from the Debt Service Reserve Fund to pay the

Bonds, the Chairperson of the IFA shall certify to the Governor the amount required to pay such principal of and interest on the Bonds, or to restore the Debt Service Reserve Fund to the required level, as the case may be, and the Governor shall submit the amount so certified to the Illinois General Assembly as soon as practicable, but no later than the end of the current State fiscal year.

Under the Constitution of the State of Illinois (the “State Constitution”) and the laws of the State, the annual budget prepared by the Governor includes both the Governor’s recommendations for the State appropriations and such other information as required by the State Constitution and applicable statutes. Under the State Constitution, any payment of State funds to the IFA is subject to an appropriation approved by the General Assembly. In addition, the Governor’s recommendations for State appropriations are a matter of executive discretion. Thus although Section 801-40(w) of the Authority Act requires that the amount certified by the Chairperson of the Authority to enable it to pay principal and interest on moral obligation bonds shall be submitted by the Governor to the General Assembly as a State appropriation for that purpose; it does not create a debt of, or obligation enforceable against the State. There is no assurance either that such money will be appropriated or that any appropriation will be made at such time so as to ensure timely payment of principal of or interest on the Bonds.

Under the Authority Act, any pledge of revenues or other moneys made by the Authority shall be binding from the time the pledge is made. Revenues and other moneys so pledged shall be held outside of the State treasury and in the custody of either the Treasurer of the Authority or a trustee or a depository appointed by the Authority. Revenues or other moneys so pledged and thereafter received by the Authority or trustee or depository shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be binding against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the Authority. The State pledges and agrees with the holders of bonds or other obligations of the Authority that the State will not limit or restrict the rights vested in the Authority by the Authority Act to purchase, acquire, hold, sell, or dispose of investments or to establish and collect such fees or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of operation to the Authority, and to fulfill the terms of any agreement made with the holders of the bonds or other obligations of the Authority or in any way impair the rights or remedies of the holders of those bonds or other obligations of the Authority until such bonds or other obligations are fully paid and discharged or provision for their payment has been made. (20 ILCS 3501/801-50)

- Will the Authority be open to capitalizing interest?

Offerors are expected to propose the structure that they feel best suits the goals and objectives of the IFA and what would be required to most effectively complete the financing presented.

- How are costs of issuance anticipated to be paid?

Costs of issuance are anticipated to be paid from bond or loan proceeds.

Other Questions

- Can we get a copy of the Emergency Purchase Resolution that was mentioned in the RFP?

See online IFA October Board Book at <http://www.il-fa.com/>

- As this will be a transaction with the Authority, how will it appear in the Authority's audited financial statements?
- Will it appear in the Authority's general operating fund or some other fund?

IFA currently has approximately \$35M of moral obligation debt. Please see 2014 CAFR online for the audit.

- Does the Authority have an estimated date that they would like to close/fund this transaction?

Under Procurement Act of the State of Illinois, relating to emergency purchases, the IFA has 90 days to close a transaction. (30ILCS 500/20-30)

- What is the use of proceeds for the \$115MM moral obligation borrowing? Are all of the payments for the Public Purpose Projects?
- Can you provide any information on the specific emergency expenditures that will be funded by the financing?
- What projects under the \$115MM moral obligation borrowing will be funded under the State's Prompt Payment Act?
- Assuming loan proceeds are used to make the most critical payments, would the repayment of any loan upon passage of a State budget for FY16 obtain a first priority with appropriated funds?
- For the proposed \$115mm financing anticipated to be issued under the Emergency Purchase Resolution dated October 8, 2015 to pay certain outstanding invoices of the State of Illinois, does the IFA or the State have a schedule of priority of payments for these outstanding invoices?

It is the intent of the Authority that the proposed transaction which is the subject of this procurement and the funding of essential governmental goods and services will be "public purpose project(s)." 20 ILCS 3501/801-5; 20 ILCS 3501/801-10(c); 20 ILCS 3501/801(i).

At this time, the Authority has no definitive or final list of essential government goods and services to be funded from the proceeds of this anticipated public purpose project.

- What is the anticipated draw down or payment schedule for the \$115MM moral obligation borrowing?

At this time, the Authority has no definitive or final list or schedule of priority payments for outstanding invoices.

- It would be helpful to have a specific “one firm only” conference call with the IFA and its legal counsel prior to our submission so that we can specifically ask legal questions that can assist our response to the IFA’s RFP. Can the IFA make its counsel available for such a call?

The IFA will not provide for a “one firm only” conference call with any of the potential offerors prior to submission of the response. As mentioned in the original RFP, the IFA may choose to conduct oral interviews with firms after submittal.

- For any potential capital markets solutions, what disclosure would be available given that an FY16 budget has not been passed?

The Authority has obtained counsel, as will the chosen underwriter (if a capital markets solution is chosen), ensuring any and all relevant public disclosures are provided based upon the facts available.

- Is it the Authority’s expectation that the State would be able to make an appropriation in a single year to repay the anticipated financing, if that was the most cost-effective alternative?

It is not the Authority’s expectation. However, the IFA is interested in any commentary from Offerors regarding prepayment should a single year full appropriation occur.

- Does the bank term sheet or term sheets count within the 15 page limit?

No

- How can we find Procurement Code Forms A and B specified on page 10?

Please refer to the following links:

<http://www.illinois.gov/cpo/general/Documents/Forms A Section V.15.2.docx>

<http://www.illinois.gov/cpo/general/Documents/Forms B Section V.15.2.docx>

- Are the Authority’s outstanding moral obligations currently rated?

Yes. Please refer to the following link:

<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=MS28390>

- Has the Authority had any preliminary discussions with any of the major rating agencies about having this deal rated?
- Could you please provide any preliminary or anticipated ratings indications for this issue?

For the purposes of this response, the Offeror should assume no. IFA will seek recommendations regarding ratings once a final structure has been determined.

- Treatment of Confidential Information

PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT: Offers become the property of the IFA and will not be returned. All Offers will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Offer that the IFA treat certain information as exempt. A request for confidential treatment will not supersede IFA's legal obligations under FOIA. The IFA will not honor requests to exempt entire Offers. Vendor must show specific grounds in FOIA or other law or rule that support exempt treatment. If exempt treatment is requested, vendor must submit an additional copy of the Offer with exempt information deleted. This copy must tell the general nature of the material removed and shall retain as much of the Offer as possible. Vendor will be responsible for any costs or damages associated with our defending your request for exempt treatment. Vendor agrees the IFA may copy the Offer to facilitate evaluation, or to respond to requests for public records and warrant that such copying will not violate the rights of any third party.

Please note the Authority may supplement these responses and will post accordingly.

Addendum #2

Additional information relating to the Request for Proposals for Financing Options for Debt Issuances from Banks, Credit Providers, Underwriters and Placement Agents dated October 8, 2015

Deadline for Submission

PLEASE BE ADVISED THAT DUE TO RELEASE OF ADDITIONAL INFORMATION (ADDENDUM 1 AND ADDENDUM 2), THE IFA HAS EXTENDED THE DEADLINE FOR SUBMISSION OF RESPONSES TO THIS RFP. OFFERORS MUST SUBMIT THEIR RESPONSES NO LATER THAN **5:00 P.M. (CDT) OCTOBER 21, 2015**

Purchase of Receivables for Essential Goods and Services

Under a receivables structure, the proceeds of the borrowing will be used by IFA to purchase vendors receivables for essential goods and services provided to the State of Illinois during Fiscal Year 2016, but for which an appropriation has not yet been authorized because of the budget impasse.

The Governor's Office of Management and Budget (GOMB) is leading the effort to identify and prioritize those receivables that will be eligible for purchase. Only a receivable for goods or services meeting all of the following criteria will be eligible for purchase by IFA:

1. The goods or services are essential for the State's ongoing, core operations, such that interruption of the provision of those goods or services would (i) pose a threat to public health or public safety, (ii) disrupt State services that affect public health or public safety or the collection of substantial State revenues, (iii) prevent the State from repairing property in order to protect against further loss or damage to State property, or (iv) prevent the State from ensuring the integrity of its records. The determination of whether goods or services meet these criteria will be made by GOMB, the Department of Central Management Services, and the State agency that procured or received the goods or services.
2. Payment for the goods or services would be authorized by both (i) the Fiscal Year 2016 budget proposed by the Governor and (ii) the Fiscal Year 2016 appropriation bills passed by the General Assembly. This is intended to demonstrate that neither the Governor nor the General Assembly has proposed terminating funding for these goods or services.
3. The goods or services have been provided to the State, as documented by the following: (i) there is a valid contract between the vendor and the State for the provision of the goods or services; (ii) the vendor has provided an invoice to the State for the goods or services; and (iii) the agency has provided an acknowledgement that the goods or services were received by the State.

4. The State has consistently and historically funded payment for the goods or services in prior fiscal years. The State agency that is responsible for processing the invoice will provide documentation of prior payments by the State for the goods or services.

Payment to IFA and Repayment for Receivable Financing(s)

Once appropriations have been enacted that authorize the State to remit payment for the goods or services for which IFA purchased receivables, the State agencies responsible for processing those invoices will promptly submit vouchers to the Comptroller requesting payment. Payment will be made directly to IFA as owner of the receivable, rather than the original vendor.

Following payment of the principal value of the invoice, the State agency will submit a second voucher for interest owing under the Prompt Payment Act. Payment will be made directly to IFA as owner of the receivable, rather than the original vendor.

IFA rights

IFA reserves the right to amend the solicitation; reject any or all Offers, including an Offer that is the lowest bid; to award by item or group of items, and to waive minor defects or irregularities. IFA may request a clarification or additional information; request a presentation; or otherwise verify the contents of any Offer. IFA may request Best & Final Offers when appropriate and shall make decisions solely in the best interests of IFA. You have no right to an award by submitting an Offer, nor do you have the right to a contract based on our posting your name on the IFA website or in a Bulletin notice. IFA is not responsible for and will not pay any costs associated with the preparation and submission of your Offer. If you are an awardee, you shall not commence, and will not be paid for any work prior to the date all parties execute a contract, unless approved in writing in advance by IFA's Procurement Officer (or his or her designee).

RESOLUTION NO. 2015-1112-AD07

RESOLUTION APPROVING THE SELECTION OF UNDERWRITER(S) AND/OR PLACEMENT AGENT(S) FOR FINANCING OPTIONS FOR DEBT ISSUANCES FOR ONE OR MORE PROJECTS AUTHORIZED UNDER THE ILLINOIS FINANCE AUTHORITY ACT, INCLUDING PUBLIC PURPOSE PROJECTS, THROUGH AN EMERGENCY PURCHASE UNDER THE PROCUREMENT CODE

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

WHEREAS, on October 8, 2015, the Members of the Authority adopted Resolution 2015-1008-AD09, which authorized an Emergency Purchase under the Procurement Code to competitively select and enter into contracts with necessary parties, including but not limited to Underwriters, to finance one or more projects authorized under the Act, including public purpose projects, the proceeds of which will be used to address one or more of the following in the absence of an enacted appropriation for fiscal year 2016, a court order or consent decree: (1) threats to public health or public safety, (2) if immediate expenditure is necessary for repairs to state property in order to protect against further loss or damage to state property, (3) to prevent or minimize serious disruption for critical state services that affect health, safety or collection of substantial state revenues, or (4) to ensure the integrity of state records; and

WHEREAS, On October 8, 2015 the Authority released a Request for Proposals for Financing Options for Debt Issuances from Banks, Credit Providers, Underwriters and Placement Agents regarding Illinois Finance Authority proposed debt offering(s), which was later supplemented by Addendums # 1 and 2 (collectively, the “RFP”); and

WHEREAS, various proposals were received in response to the RFP and, after review and evaluation thereof and interviews with certain proposers, a committee of the Authority recommended that Citigroup Capital Markets, Inc. be selected to serve as the Underwriter and/or Placement Agent in connection with the proposed debt offerings; and

WHEREAS, the Authority desires to approve such selection; and

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

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

Section 2. Approval of Underwriter and/or Placement Agent. The Authority hereby approves the selection of Citigroup Capital Markets Group Inc. (“Citi”) as the Underwriter and/or Placement Agent in connection with the proposed debt offerings and authorizes the Chairperson, the Executive Director and any officer or employee designated by

the Executive Director (each, an “Authorized Officer”) the power to execute and deliver any and all such agreements, instruments, certificates and other documents as may be necessary to secure the services of Citi as an Underwriter and/or Placement Agent in connection with the proposed debt offerings.

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

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

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

Section 7. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of November, 2015 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

RESOLUTION NO. 2015-1112-AD08

RESOLUTION APPROVING THE SELECTION OF TRUSTEE(S) AND/OR PAYING AGENT(S) FOR FINANCING OPTIONS FOR DEBT ISSUANCES FOR ONE OR MORE PROJECTS AUTHORIZED UNDER THE ILLINOIS FINANCE AUTHORITY ACT, INCLUDING PUBLIC PURPOSE PROJECTS, THROUGH AN EMERGENCY PURCHASE UNDER THE PROCUREMENT CODE

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

WHEREAS, on October 8, 2015, the Members of the Authority adopted Resolution 2015-1008-AD09, which authorized an Emergency Purchase under the Procurement Code to competitively select and enter into contracts with necessary parties, including but not limited to trustees or paying agents, to finance one or more projects authorized under the Act, including public purpose projects, the proceeds of which will be used to address one or more of the following in the absence of an enacted appropriation for fiscal year 2016, a court order or consent decree: (1) threats to public health or public safety, (2) if immediate expenditure is necessary for repairs to state property in order to protect against further loss or damage to state property, (3) to prevent or minimize serious disruption for critical state services that affect health, safety or collection of substantial state revenues, or (4) to ensure the integrity of state records; and

WHEREAS, On October 9, 2015 the Authority released a request for proposals for Trustee, Paying Agent and Bond Registrar services in connection with the proposed issuance of \$115 million of debt of the Authority secured by the moral obligation of the State of Illinois, which was later supplemented by Addendum # 1 (collectively, the “RFP”); and

WHEREAS, various proposals were received in response to the RFP and, after review and evaluation thereof, a committee of the Authority recommended that Zions First National Bank be selected to serve as the trustee, paying agent and/or bond registrar in connection with the proposed debt offerings; and

WHEREAS, the Authority desires to approve such selection; and

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

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

Section 2. Approval of Trustee, Paying Agent and/or Bond Registrar. The Authority hereby approves the selection of Zions First National Bank (“Zions”) as the Trustee, Paying Agent and/or Bond Registrar in connection with the proposed debt offerings and

authorizes the Chairperson, the Executive Director and any officer or employee designated by the Executive Director (each, an “Authorized Officer”) the power to execute and deliver any and all such agreements, instruments, certificates and other documents as may be necessary to secure the services of Zions as Trustee, Paying Agent and/or Bond Registrar in connection with the proposed debt offerings.

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

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

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

Section 7. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of November, 2015 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

Item No. 9 will be distributed separately.

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RESOLUTION NO. 2015-1112-AD10

**RESOLUTION APPROVING MEMBERSHIP FOR THE VARIOUS COMMITTEES OF
THE BOARD**

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

WHEREAS, pursuant to Resolution No. 2014-0311-AD adopted on July 9, 2015, the Authority authorized the formation of the following committees: (1) Audit, Budget, Finance, Legislation, Investment and Procurement, (2) Governance, Personnel, and Ethics, (3) Tax-Exempt Conduit Transactions, (4) Direct and Alternative Financing, and (5) Executive Committee (collectively, the “Committees”); and

WHEREAS, the Members now desire to change the designation of two of the Committees and approve membership for all of the Committees; and

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

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

Section 2. Committee Designations; Approval of Membership. The oversight of legislative proposals is hereby assigned to the Governance, Personnel and Ethics Committee, which is hereby designated as the Governance, Personnel, Legislation and Ethics Committee. The first committee referred to above will be designated the Audit, Budget, Finance, Investment and Procurement Committee. The members of the respective Committees shown on Exhibit A hereto are hereby approved.

Section 3. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

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

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

Approved and effective this 12th day of November, 2015 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

EXHIBIT A
COMMITTEE MEMBERSHIP

Audit, Budget, Finance, Investment and Procurement

Gila Bronner, Chair

Eric Anderberg

Adam Israelov

Lerry Knox

Barrett Pedersen

Roger Poole

John Yonover

Governance, Personnel, Legislation and Ethics

Eric Anderberg, Chair

Gila Bronner

Mike Goetz

Robert Horne

Arlene Juracek

Terry O'Brien

John Yonover

Tax-Exempt Conduit Transactions

Robert Horne, Chair

Jim Fuentes

Mike Goetz

Adam Israelov

Arlene Juracek

Brad Zeller

Mordecai Tessler

Direct and Alternative Financing

Lerry Knox, Chair

Jim Fuentes

Arlene Juracek

Barrett Pedersen

Roger Poole

Mordecai Tessler

Brad Zeller

Executive Committee

Rob Funderburg, Chair

Eric Anderberg (ex officio - Chair of Governance, Personnel, Legislation and Ethics)

Gila Bronner (ex officio - Chair of Audit, Budget, Finance, Investment and Procurement)

Robert Horne (ex officio - Chair of Tax-Exempt Conduit Transactions)

Lerry Knox (ex officio - Chair of Direct and Alternative Financing)

RESOLUTION NO. 2015-1112-AD11

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PROCEED WITH DOCUMENTATION RELATING TO THE ISSUANCE OF THE AUTHORITY'S MORAL OBLIGATION BONDS TO FINANCE ONE OR MORE PROJECTS AUTHORIZED UNDER THE ILLINOIS FINANCE AUTHORITY ACT, INCLUDING PUBLIC PURPOSE PROJECTS; AUTHORIZING ONE OR MORE INTERGOVERNMENTAL AGREEMENTS RELATING THERETO; AND OTHER RELATED MATTERS.

WHEREAS, the Illinois Finance Authority (the "Authority") is a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "State"), created by, and existing under, the Illinois Finance Authority Act, 20 ILCS 3501-801-1, *et. seq.*, as amended (the "Act"); and

WHEREAS, the legislature of the State has not passed and the Governor of the State has not approved a final budget for the fiscal year beginning July 1, 2015, and the State has therefore been operating without a final budget since such date; and

WHEREAS, certain vendors of the State have been performing services without payment, and due to a lack of appropriated funds, claims for payment from such vendors have been accumulating; and

WHEREAS, pursuant to the State Prompt Payment Act, 30 ILCS 540 *et seq.*, as amended (the "Prompt Payment Act") certain of such claims have been accruing and are continuing to accrue payment interest penalties; and

WHEREAS, units of local government in the State have also been challenged by the lack of ability to pay personnel or vendors providing public safety and emergency 911 services and other related expenditures; and

WHEREAS, the General Assembly determined under the Act, in the interest of promoting the health, safety, morals and general welfare of the people of the State, to make available through the Authority funds for public purpose and other projects; and

WHEREAS, the Act further authorizes the Authority to undertake any activity to increase job opportunities and to retain existing jobs in the State as well as any program to aid in stabilizing an economic sector of the State economy; and

WHEREAS, on October 8, 2015, the Members of the Authority adopted Resolution 2015-1008-AD09, which authorized an Emergency Purchase under the Procurement Code to competitively select and enter into contracts with necessary parties to finance one or more projects authorized under the Act, including public purpose projects, the proceeds of which will be used to address one or more of the following in the absence of an enacted appropriation for fiscal year 2016, a court order or consent decree: (1) threats to public health or public safety, (2) if immediate expenditure is necessary for repairs to state property in order to protect against further loss or damage to state property, (3) to prevent or minimize serious disruption for critical state services that affect health, safety or collection of substantial state revenues, or (4) to ensure the integrity of state records; and

WHEREAS, pursuant to Section 810-10(c) of the Act, a “public purpose project” includes, among other things, any project authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government; and

WHEREAS, pursuant to Section 810-10(i) of the Act, a “unit of government” includes, among other things, the State, a unit of local government or any agency or instrumentality thereof; and

WHEREAS, in an effort to ameliorate the negative effects of a possible decline of vendor participation, to ensure the continued availability of vendor services and to stabilize a sector of the State economy, the Authority, in cooperation with the State Office of Management and Budget and the Governor, are considering the issuance by the Authority of bonds supported by the moral obligation of the State in an amount expected not to exceed One Hundred Fifteen Million and No/100 Dollars (\$115,000,000) (the “Bonds”); and

WHEREAS, proceeds of the Bonds are to be used for the purpose of providing the Authority with all or a portion of the funds necessary to (i) finance or reimburse the Authority for the costs are paying all or a portion of certain vendor claims pursuant to the Assignment Agreements (as hereinafter defined) (the “Vendor Project”), (ii) finance or reimburse the Authority for the costs of making loans to units of local government for the provision of emergency 911 costs and services (the “911 Project” and together with the Vendor Project, the “Projects”), (iii) fund a debt service reserve fund, if deemed necessary or desirable by the Authorized Officers (as hereinafter defined) and (iv) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, and all as permitted by the Act, the “Financing Purposes”); and

WHEREAS; the Authority intends that the Bonds be issued with the support of the moral obligation of the State and hereby determines that Section 801-40(w) of the Act shall apply to the Bonds; and

WHEREAS, as a moral obligation of the State, the Governor of the State will be required to include in the State budget the amount certified by the Authority necessary to pay principal of and interest on the Bonds and to maintain any debt service reserve fund at any applicable debt service reserve fund requirement; and

WHEREAS, in order to carry out the Vendor Project, the Authority intends to pay all or a portion of the vendor claims and acquire the right to such vendor claims for payment, all pursuant to Assignment Agreements substantially in the form attached hereto as Exhibit A (the “Assignment Agreements”); and

WHEREAS, after the date hereof and before the Bonds have been issued, it will be necessary for the Authority to draw upon the Authority’s balance sheet on an interim basis in order to enter into Assignment Agreements or otherwise carryout the Financing Purposes; and

WHEREAS, no expenditures relating to the Project for which the Authority may seek reimbursement from the proceeds of the Bonds (the “Expenditures”) have been made more than

sixty (60) days prior to the adoption of this Resolution, and any further Expenditures will be made on or after the date that this Resolution is adopted; and

WHEREAS, it is presently anticipated that the legislature of the State will not have yet passed and the Governor of the State will not have yet approved a final budget in the immediate future; and

WHEREAS, the Authority has determined that issuance of the Bonds will be in the best interest of the residents of the State and will serve to increase job opportunities and to retain existing jobs in the State which is consistent and in accord with the provisions and purposes of the Act; and

WHEREAS, the Authority has further determined that the Vendor Project and the 911 Project each constitutes a “public purpose project” pursuant to the Act and that the issuance of the Bonds for the Financing Purposes will be consistent and in accord with the provisions and purposes of the Act; and

WHEREAS, in order to carry out the Financing Purposes, it will be necessary for the Authority to enter into certain agreements (collectively, the “Financing Documents”), including without limitation, the Assignment Agreements and one or more Intergovernmental Agreements between the Authority and other State offices and agencies including but not limited to the Department of Central Management Services, the Department of Revenue and the State Office of Management and Budget related to the Projects (“Intergovernmental Agreements”);

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

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

Section 2. Approval to Proceed. The Chairperson, Vice Chairperson, Executive Director, or any officer or employee designated by the Executive Director (each an “Authorized Officer”) are hereby authorized individually or acting together to take all actions, reasonable and necessary, to enter into the Financing Documents, to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with this Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties expressed herein. Any Authorized Officer shall also have the power and authority to make any modifications or changes to the terms of the Financing Agreements as he believes, in his sole discretion, are consistent with the goals of the Financing Purposes. In anticipation of the issuance of the Bonds, the Authorized Officers are hereby further authorized to expend not-to-exceed \$12 million from moneys of the Authority to pay for the Projects, fund debt service reserves and pay costs of issuance.

Section 3. Documents. The Authority hereby authorizes and approves the execution (by manual or facsimile signature) by any Authorized Officer and the delivery and use of such Financing Documents as the Authorized Officer executing the same, in his or her discretion, shall deem reasonable and necessary for the institution and operation of the Financing Purposes. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to any Financing Document, as may be necessary. Each Financing Document shall be in a form reasonably appropriate for documents of such nature and, with regard to the Assignment

Agreements, may include or exclude deferred payments, all as determined by the Authorized Officer of the Authority executing the same, and such execution shall constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of such document.

Section 4. Further Actions. The Authorized Officers of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all such documents as may in their discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution and the instruments hereby approved; and all of the acts and doings of the Authorized Officers of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. The Authorized Officers are further authorized to enter into any loan agreements, purchase agreements and intercept agreements deemed necessary or appropriate by the Authorized Officer executing the same in order to carry out the Financing Purposes; any loan related thereto or note, bond or other security purchased pursuant to a purchase agreement may bear interest at a rate determined by the Authorized Officer executing the documents related thereto, which rate may be 0%. The Authorized Officers are further authorized to liquidate investments as necessary in order to carry out the Financing Purposes. The Authorized Officers are further authorized to pay fees and expenses and fund reserves related to carrying out the Financing Purposes from funds of the Authority and such fees, expenses and reserves may be paid regardless of whether funds for such fees, expenses and reserves can be recouped. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Projects and the operation of the Projects shall be and the same hereby are in all respects approved and confirmed.

Section 5. Expenditure Reimbursement. The Authority reasonably expects to reimburse all or a portion of any Expenditures that may have been incurred with the proceeds of the Bonds, to the extent allowed under the Act and the Internal Revenue Code of 1986, as amended.

Section 6. Repeal of Conflicting Resolutions; Effective Date. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force immediately upon its adoption.

Approved and effective this 12th day of November, 2015 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Not Voting:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

Exhibit A

Form of Assignment Agreement

FY16 ILLINOIS FINANCE AUTHORITY VENDOR SUPPORT PROGRAM

ASSIGNMENT AGREEMENT

This Assignment Agreement (the “Agreement”), dated _____, 20____, is by and between the undersigned Participating Vendor (the “Assignor” or “Vendor”) and the Illinois Finance Authority (the “Assignee” or “Purchaser), a [_____] with a FEIN number of [_____].

I. Assignor hereby irrevocably assigns, transfers, and delivers all of Vendor’s right, title and interest to receive sums due or which shall become due and owing to Vendor, including without limitation any prompt payment interest penalty amount accruing under the State Prompt Payment Act (30 ILCS 540 et seq.) based on the account(s) receivable set forth on **Schedule 1** hereto (each, an “**Assigned Receivable**” and, collectively, the “**Assigned Receivables**”). Subject to the receipt by the Purchaser of an acknowledgment of assignment (“**Acknowledgment**”) from the State , Purchaser hereby acknowledges and accepts Vendor’s assignment of, and assumes from Vendor, each Assigned Receivable, and Purchaser agrees to perform promptly and in good faith its obligations under this Agreement with respect to each such Assigned Receivable, including, without limitation, payment of the unpaid principal amount (the “**Base Invoice Amount**”) of the invoice associated with each Assigned Receivable to Vendor and collection of the amount of interest due from the State pursuant to the Prompt Payment Act (30 ILCS 540) with respect to the Assigned Receivable (the “**Prompt Payment Penalty**”) as set forth in this Agreement. Vendor hereby acknowledges the right and duty of the Purchaser, as purchaser of each Assigned Receivable, to take such steps as Purchaser deems necessary to collect from the State amounts due with respect to such Assigned Receivable (subject to any amount deducted from payments made by the State with respect to any Assigned Receivable due to the State’s exercise of any offset or other contractual rights against Vendor, including statutorily required administrative fees imposed pursuant to the State Comptroller Act (15 ILCS 405) (“**State Offsets**”)), including seeking payment through the State’s Court of Claims.

II. Vendor represents and warrants to Purchaser that:

1. Vendor has good title and authority to assign each Assigned Receivable to Purchaser, free and clear of any material liens and encumbrances, including any tax or judicial liens, and that assignment of each Assigned Receivable is not prohibited by, or otherwise prevented by applicable law from being transferred in accordance herewith;
2. The assignment of each Assigned Receivable hereunder is not subject to or conditioned upon Bankruptcy Court approval pursuant to applicable provisions of the United States Bankruptcy Code;
3. To Vendor’s knowledge, as of the date hereof, Vendor does not owe any monies to the State thereby entitling the State to any offsets against the Assigned Receivable. The Vendor agrees to provide the Purchaser its FEIN or any other identifying information requested by the Purchaser for the purposes of confirming that no such offsets exist; and

4. Each Assigned Receivable does not constitute a right to payment under the Medical Assistance Program (including Medicaid). Any purported assignment of any such right to payment under the Medical Assistance Program (including Medicaid) hereby shall be deemed void *ab initio*. This Agreement shall not be construed as a release of claims or waiver of any defenses against Vendor which the State may assert against Vendor or Purchaser.
5. To the Vendor's best knowledge after due inquiry, each invoice with respect to each Assigned Receivable represents the sale of goods or services that have been delivered or provided to, and accepted by, the State and for which all of the Vendor's obligations have been performed in full by the Vendor;
6. If the Vendor is not an individual, the Vendor is validly existing and in good standing in its jurisdiction of formation and is qualified to do business in the State of Illinois; and
7. The Vendor has full authority to enter into this Agreement, which has been duly authorized by all necessary actions, and this Agreement has been duly executed and delivered by and is the legal, valid, and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms.

III. With respect to each Assigned Receivable, in consideration of Vendor's assignment of such Assigned Receivable to Purchaser hereunder, subject to any State Offsets, Purchaser will pay to Vendor one hundred percent (100%) of the unpaid principal amount of the invoice associated with such Assigned Receivable (the "**Base Invoice Amount**"), within 10 days after the date the Purchaser receives an agency acknowledgement of each Assigned Receivable, The Initial Payment shall be made in immediately available U.S. funds by check or wire transfer, in accordance with the instructions of the Vendor.

Within 10 days after Purchaser's receipt of the amount due from the State in respect of the Base Invoice Amount, Purchaser will deliver written notice to the relevant State agency, in a form provided by the State, setting out the Purchaser's estimate of the amount of the prompt payment penalty due from the State with respect to the Assigned Receivable (the "**Prompt Payment Penalty**") and requesting such State agency to confirm the amount of the Prompt Payment Penalty and submit a Voucher for the Prompt Payment Penalty to the State Comptroller. The relevant State agency shall notify the Purchaser in writing of the actual amount of the Prompt Payment Penalty and the date on which such State agency submitted a Voucher to the State Comptroller for the Prompt Payment Penalty. Vendor shall deliver to Purchaser written evidence of the relevant State agency's submission to the State Comptroller of a Voucher for such Prompt Payment Penalty.

IV. From and after the effective date hereof, Vendor hereby agrees to pay to Purchaser all amounts Vendor may receive from the State on account of the Assigned Receivable(s).

V. The Assigned Receivable(s) (or any interest therein) may not be assigned, sold or otherwise transferred by Purchaser to any other person or entity Any purported assignment, sale or other transfer in violation of this Agreement shall be deemed void *ab initio*.

VI. Each of Vendor and Purchaser shall retain all of its respective rights and remedies at law and in equity that may arise as a result of a failure by the other party to perform its duties or obligations in accordance with the provisions of this Agreement.

VII. Vendor and Purchaser have structured the transactions contemplated by this Agreement as a sale and intend the transfer and conveyance of the Assigned Receivable(s) hereunder to be an absolute and irrevocable true sale by Vendor to Purchaser that provides Purchaser with the full benefits and burdens of ownership of the Assigned Receivable(s). Neither Vendor nor Purchaser intends the transactions contemplated hereunder to be a loan from Purchaser to Vendor. If, notwithstanding the stated intention of Vendor and Purchaser, the transfer and conveyance of any Assigned Receivable herein is determined by a court of competent jurisdiction to be a secured loan and not a sale, then, in such event, this Agreement shall constitute a security agreement under the Uniform Commercial Code and other applicable law with respect to such Assigned Receivable. For this purpose only, Vendor hereby grants Purchaser a perfected, first priority security interest in all of Vendor's right, title and interest in, to and under such Assigned Receivable and the proceeds thereof to secure the repayment of the Full Payment amount. In the event this Agreement shall have been characterized as a security agreement, Purchaser shall have, with respect to such Assigned Receivable, in addition to the rights and remedies which it may have under this Agreement, all the rights and remedies provided to a secured creditor under the Uniform Commercial Code and other applicable law, which rights and remedies shall be cumulative.

VIII. Except for liabilities to third parties relating to defense and indemnification obligations hereunder, neither party hereto shall be liable to the other party or responsible for any loss of business or profits, revenue or goodwill, or any indirect or consequential, special, exemplary or punitive losses or damages, whether arising from negligence, breach of contract or otherwise, even if informed of the possibility of those losses or damages. The Purchaser shall not be liable for any Losses arising out of or relating to any of its actions or omissions to act hereunder, except to the extent that any such Losses are caused by the Purchaser's gross negligence or willful misconduct. "**Losses**" shall mean any claims, liabilities, losses, damages, costs or expenses, including reasonable attorneys' fees and disbursements, other dispute resolution expenses (including reasonable fees and expenses in preparation for a defense of any investigation, litigation or proceeding) and costs of collection.

IX. If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, unenforceable or in conflict with any laws of any jurisdiction, that provision(s) shall be deemed severed and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired and this Agreement shall remain in full force and effect with that provision severed or modified by court order.

X. The provisions of this Agreement may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and signed by Vendor and Purchaser.

XI. All communications or notices required under this Agreement shall be in writing and shall be delivered to Vendor and Purchaser at their respective addresses set forth on the signature page to this Agreement.

XII. This Agreement shall be interpreted in accordance with and governed by the laws of the State of Illinois without giving effect to conflicts of law principles that would cause the application of the law of any jurisdiction other than the laws of the State of Illinois.

NOTICE TO VENDOR: AS PROVIDED ABOVE, VENDOR (AS ASSIGNOR) WILL RECEIVE 100% OF THE BASE INVOICE AMOUNT WITHIN 10 DAYS AFTER PURCHASER (AS ASSIGNEE) RECEIVES AN ACKNOWLEDGEMENT WITH RESPECT TO EACH ASSIGNED RECEIVABLE.

IN ADDITION, THE STATE MAY IDENTIFY ALTERNATIVE SOURCES OF PAYMENT OF OUTSTANDING VOUCHERS FOR ASSIGNED RECEIVABLES, INCLUDING WITHOUT LIMITATION THROUGH ONE OR MORE BORROWINGS EFFECTED BY THE STATE, THAT WOULD ALLOW THE STATE TO MAKE FULL PAYMENT (SUBJECT TO ANY STATE OFFSETS) ON THE ASSIGNED RECEIVABLE AT ANY TIME, INCLUDING IMMEDIATELY AFTER THE EFFECTIVE DATE OF THE ASSIGNMENT OF THE ASSIGNED RECEIVABLE HEREUNDER. THE STATE, HOWEVER, CAN GIVE NO ASSURANCE AS TO THE AVAILABILITY OR TIMING OF SUCH SOURCES OF PAYMENT, WHICH COULD REQUIRE LEGISLATIVE ACTION BY THE STATE'S GENERAL ASSEMBLY AND THE SIGNATURE OF THE GOVERNOR.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Purchaser and Vendor have caused this Assignment Agreement to be executed by their duly authorized representatives as of the date set forth above.

ASSIGNEE/PURCHASER:

[_____]

By: _____

Name:

Title:

Address:

Date:

ASSIGNOR/VENDOR:

[_____]

By: _____

Name:

Title:

Address:

Date:

Schedule 1

Assigned Receivable(s)

Vendor	Contract Number	Contract Date	Base Invoice Amount (\$)	Contracting Agency