ILLINOIS FINANCE AUTHORITY

August 11, 2016

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.	Reports and Resolutions
XI.	Other Business
XII.	Public Comment
XIII.	Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds *Final (One-Time Consideration)*						
1	A) Blake and Allyson Marrs	Paris Township (Edgar County)	$401,000	-	-	PE/LK
	B) Mason A. and Victoria L. Dehlinger	German Township (Richland County)	$83,750	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$484,750**	-	-	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
2	DePaul University	Chicago (Cook County)	$125,000,000	N/A	N/A	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$125,000,000**	**N/A**	**N/A**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final*						
3	The Moorings of Arlington Heights, LLC	Arlington Heights (Cook County)	$70,000,000	50	85	PL
TOTAL HEALTHCARE PROJECTS			**$70,000,000**	**50**	**85**	

LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds *Final (One-Time Consideration)*						
4	State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016	Statewide	$600,000,000	-	-	RF/BF
TOTAL LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS			**$600,000,000**	-	-	
GRAND TOTAL			**$795,484,750**	**50**	**85**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
5	Resolution Authorizing Consent to a Deferral of Scheduled Payment and Waiver of Events of Default for a Loan Subject to an Agri-Debt Restructuring Guarantee (Borrowers: Mark D. Donoho and Karen Donoho, each Individually)	PE
6	Resolution Authorizing and Approving the Execution and Delivery of a First Amendment to the Loan Agreement which Amends Certain Provisions of the Loan Agreement Dated as of March 1, 2004 under which the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2004 (Community Action Partnership of Lake County Project) (the "Bonds) were Issued and the Proceeds of the Bonds were Lent to Community Action Partnership of Lake County	RF/BF
7	Resolution Authorizing the Reissuance of the Swedish American Hospital Series 2010 Bonds	PL
8	Resolution Confirming the Execution and Delivery of a First Amendment to Master Loan Agreement with the City of Chicago Providing for an Extension of a Final Principal Payment	CM
9	Resolution Adopting the Fiscal Year 2017 Personnel Recommendations of the Governance, Personnel, Legislation and Ethics Committee	CM

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: August 11, 2016

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

This month, we are proud to present the first financing since 2013 under the Clean Water Initiative for consideration by the Illinois Finance Authority ("Authority"). Under the State Revolving Fund Program ("SRF Program"), the Authority maintains its longstanding and productive partnership with the Illinois Environmental Protection Agency ("IEPA") to dramatically increase the availability of lowest possible cost financing to Illinois local governments for state-of-the-art wastewater and drinking water projects. In a global economy with increasingly constrained natural resources, virtually unlimited access to clean, safe, fresh water is a major economic competitive advantage for our state. The Authority welcomes newly appointed IEPA Director Alec Messina and looks forward to an ever more productive relationship with IEPA on behalf of the people of Illinois.

What is SRF?

The IEPA SRF Program currently has just over $3 billion in outstanding loans to 565 governmental entities. The SRF Program is a federal-state program that funds direct loans to local governments for drinking water and sewer (clean) infrastructure projects at below market interest rates, costs and terms. SRF Program loans may not be used for speculative or economic development-type activities. IEPA originates and administers SRF Program loans.

Annually, the federal government through the United States Environmental Protection Agency ("USEPA") gives $5 for every $1 (20%) state match (appropriated or since 2013, borrowed) to the SRF Program.

SRF Program Benefits to Local Governments and Illinois Taxpayers

Interest is generally 50% of what local governments would pay on their own as the interest rate is equal to 50% of the *Bond Buyer's 20-Bond General Obligation Index* for the preceding State fiscal year and federal fiscal year. In 2016, the current rate is 1.75% for clean (sewer) water projects and 1.86% for drinking water projects. The interest rate subsidy is economical because the federal government provides most of the equity through capitalization grants to run the SRF Program.

Additionally, SRF Program borrowers need not engage and pay bond counsel or underwriters or other costs as they would if they issued bonds on their own. Overall, reduced interest and transaction costs mean less cost to local tax and rate payers who are also Illinois taxpayers.

Why Borrow?

USEPA encourages states to expand program capacity by borrowing additional funds on the capital markets (bonds) to be used as SRF Program loans by pledging the majority of their SRF Program loan portfolios. Such borrowing (or leverage) allows the responsible expansion of SRF Program loan capacity well beyond the limitations of federal capitalization grants, state match and principal and interest from loan repayments. SRF Program bond proceeds are used to make new loans that are in turn also pledged to repay the bonds.

Moreover, capital markets generally favor this leveraged structure as evidenced by rating agencies often assigning "AAA" ratings. The "AAA" ratings are indicative of the quality of the SRF Program loans being pledged to repay the bonds (local government water projects are generally regarded as essential purpose projects, have an established revenue stream, and rarely default on debt) as well as indicative of the approximate debt coverage (approximately 5x) provided by the pool of SRF Program loans collateralizing the bonds.

Interest Rate Subsidy Increases SRF Program Demand

As a pooled financing, the bonds are subject to the federal Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), which imposes additional requirements and conditions in order for the interest on the bonds to be and to remain exempt from federal income taxation. TIPRA specifies that unless certain minimum percentages of the bond proceeds are originated (i.e., by IEPA) as loans for eligible projects within certain prescribed time periods (i.e., there are minimum origination requirements after years 1 and year 3), the bonds would become subject to mandatory redemption.

Accordingly, the subsidized interest rate offered through the SRF Program is beneficial not only to local tax and rate payers who are also Illinois taxpayers but also the SRF Program itself because the subsidized interest rate increases demand, thereby helping assure compliance with the applicable TIPRA spend-down requirements. For example, the subsidized interest rate has been sufficient to induce several investment grade local government borrowers to participate in the SRF Program, including Chicago, DeKalb, Evanston, Hanover Park, Libertyville, Mattoon, Skokie, Springfield, St. Charles, Sterling, and Wilmette.

The strong, experienced management teams of IEPA and the Authority remain focused on expanding the SRF Program for both investment grade and non-investment grade local government borrowers. Once the financing considered by the Authority closes, the Clean Water Initiative will be positioned to borrow on a predictable, annual basis going forward (as opposed to bond issues in 2013, 2004, 2002). Such predictability opens the door for IEPA to pursue a variety of SRF Program innovations successfully piloted in other states such as non-revenue/non-point source infrastructure projects and further reductions in the cost of borrowing for local governments.

Thank you Mordecai Tessler; Welcome Beth Smoots

We thank Mordecai Tessler for his service to the state and to the Authority. Mr. Tessler contributed his private sector development knowledge during his 3-year, 10-month tenure. We also welcome Beth Smoots to the Authority. Ms. Smoots was appointed on July 22 by Governor Rauner and brings deep knowledge of talent recruitment, development and retention as well as financial skill to the Authority.

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

ILLINOIS FINANCE AUTHORITY

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Date: August 11, 2016

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
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George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

Subject: ***Minutes of the July 14, 2016 Regular Meeting***

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 Members of the Illinois Finance Authority (the "**Authority**"), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of July in the year 2016, 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
REGULAR MEETING
Thursday, July 14, 2016
9:30 AM

AGENDA:

I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 16)

II. Approval of Agenda
(page 4, line 17 through page 5, line 5)

III. Presentation and Consideration of Item No. 15 of the Project Reports and Resolutions
(page 5, line 6 through page 7, line 7)

IV. Chairman's Remarks
(page 7, line 8 through page 8, line 7)

V. Message from the Executive Director
(page 8, line 8 through page 14, line 19)

VI. Consideration of the Minutes
(page 14, line 20 through page 15, line 10)

VII. Presentation and Consideration of Financial Reports
(page 15, line 11 through page 21, line 9)

VIII. Monthly Procurement Report
(page 21, line 10 through page 22, line 8)

IX. Committee Reports
(page 22, line 9 through page 23, line 16)

X. Presentation and Consideration of Item Nos. 1-14 of the Project Reports and Resolutions
(page 23, line 17 through page 72, line 8)

XI. Other Business
(page 72, line 9 through 21)

XII. Public Comment
(page 72, lines 22 through 23)

XIII. Adjournment
(page 72, line 23 through page 73, line 9)

The Minutes of the regular meeting of the Authority 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 to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President

Enclosures: 1. Minutes of the July 14, 2016 Regular Meeting
2. Voting Record of the July 14, 2016 Regular Meeting

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
July 14th, 2016, at 9:31 a.m.

Report of Proceedings had at the Regular Meeting of the Illinois Finance Authority on July 14th, 2016, at the hour of 9:30, a.m., pursuant to notice, at 160 North LaSalle Street, Suite S1000, Chicago, Illinois.

MARZULLO REPORTING AGENCY (312) 321-9365

2

APPEARANCE:

ILLINOIS FINANCE AUTHORITY MEMBERS

MR. R. ROBERT FUNDERBURG, Chairman
MR. ERIC ANDERBERG
MR. JAMES J. FUENTES
MR. ROBERT HORNE
MS. ARLENE JURACEK
MR. LERRY KNOX
MS. GILA J. BRONNER
MR. MICHAEL W. GOETZ (Via audio conference)
MR. ROGER POOLE
MR. BRADLEY A. ZELLER
MR. LYLE McCOY
MR. GEORGE OBERNAGEL

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. BRAD FLETCHER, Assistant Vice-President
MR. RICH FRAMPTON, Vice-President
MS. MELINDA GILDART, CFO
MS. PAMELA LENANE,Vice-President
MS. ELIZABETH WEBER, General Counsel
MS. SIX GRANDA, Controller
MR. CHRISTOPHER B. MEISTER, Executive Director,
MR. PATRICK EVANS, Agricultural Banker, (Via audio conference)

MARZULLO REPORTING AGENCY (312) 321-9365

3

CHAIRMAN FUNDERBURG: Welcome, everyone. I would like to call to order the Board Meeting for the Illinois Finance Authority. Mr. Assistant Secretary, would you please take the roll?

FLETCHER: Certainly. The time is 9:31 a.m. I'll call the roll. Mr. Anderberg?

ANDERBERG: Here.

FLETCHER: Ms. Bronner?
BRONNER: Here.
FLETCHER: Mr. Fuentes?
FUENTES: Here.
FLETCHER: Mr. Horne?
HORNE: Here.
FLETCHER: Ms. Juracek?
JURACEK: Here.
FLETCHER: Mr. Knox?
KNOX: Here.
FLETCHER: Mr. McCoy?
McCOY: Here.
FLETCHER: Mr. Obernagel?
OBERNAGEL: Here.
FLETCHER: Mr. Poole?
POOLE: Here.
FLETCHER: Mr. Zeller?

ZELLER: Here.
FLETCHER: And Mr. Chairman?
CHAIRMAN FUNDERBURG: Here.
FLETCHER: Mr. Chairman, a quorum of members are physically present in the room. At this time I would like to ask if any Members are participating by audio conference?
GOETZ: Yes. This is Mike Goetz. I am.
CHAIRMAN FUNDERBURG: Okay. Anyone else? Okay. If not, then, is there a motion to approve the request pursuant to the bylaws and policies of

the Authority?
BRONNER: So moved.
FUENTES: Second.
CHAIRMAN FUNDERBURG: All in favor?
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Okay, the ayes have it. Next up I would like to ask if there are any additions or edits or corrections to today's agenda. No? Okay, then, I would like to request a motion to approve the agenda.
HORNE: So moved.
ANDERBERG: Second.
CHAIRMAN FUNDERBURG: All in favor, please say

aye.
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?
(No response.)
CHAIRMAN FUNDERBURG: Okay, ayes have it. Next under Item 3, we're going to skip to Item No. 15 on the Project Reports and the Resolutions. Gila Bronner has served as Vice-Chair of the Illinois Finance Authority for this past year, has done a very good job.
It's that time of year where it's time to nominate for election a Vice-Chair for the ensuing year. I would like to ask is there a motion to nominate someone for Vice-Chair?
FUENTES: So moved.
FLETCHER: Who would you like to nominate?

FUENTES: Gila.

CHAIRMAN FUNDERBURG: We have a motion to nominate Gila from Mr. Fuentes. Are there any other nominations at this point? If not, then would someone like to second that?

KNOX: I'll second.

CHAIRMAN FUNDERBURG: Okay, by Knox. Okay. Now we'll call a vote on the motion and second.

FLETCHER: On the motion and second, I'll call the roll for nomination of Ms. Bronner as Vice-Chair of the Illinois Finance Authority.

Mr. Anderberg?

ANDERBERG: Yes.

FLETCHER: Ms. Bronner?

BRONNER: I abstain.

FLETCHER: And the reason for abstention?

BRONNER: I'm the subject of the nomination.

FLETCHER: Mr. Fuentes?

FUENTES: Yes.

FLETCHER: Mr. Goetz on the phone?

GOETZ: Yes.

FLETCHER: Mr. Horne?

HORNE: Yes.

FLETCHER: Ms. Juracek?

JURACEK: Yes.

FLETCHER: Mr. Knox?

KNOX: Yes.

FLETCHER: Mr. McCoy?

McCOY: Yes.

FLETCHER: Mr. Obernagel?

OBERNAGEL: Yes.

FLETCHER: Mr. Poole?

POOLE: Yes.

FLETCHER: Mr. Zeller?

ZELLER: Mr. Chairman?

CHAIRMAN FUNDERBURG: Yes.

FLETCHER: Mr. Chairman, the motion carries.

CHAIRMAN FUNDERBURG: Thank you.

BRONNER: Thank you.

CHAIRMAN FUNDERBURG: Welcome. Thank you for serving. I would just like to say here we're wrapping up the fiscal year for the Illinois Finance Authority. I think we had great year, very strong year from a number of measures.

I know that the Illinois Finance Authority has had a big impact on economic development and helped to add a lot of value to the State of Illinois and to citizens through the budget impasse, and continue to build and strengthen our Board and our staff, on top of the strong base that we had to start with.

Next, I would like to welcome our newest Member, George Obernagel. Thank you for serving the people of Illinois and welcome to the Board.

OBERNAGEL: Thank you very much.

CHAIRMAN FUNDERBURG: Also, lastly, I want to thank all of the volunteer Board Members who give their time and their expertise and their energy to the Illinois Finance Authority.

There are sacrifices involved and above and beyond just the time, and I wanted to let you know as Chair, I truly appreciable it. Thank you all very much. Chris?

MEISTER: Thank you, Chairman. Again, I would like to echo the Chairman's welcome to Mr. Obernagel. I would also like to set the stage again. As the Chairman noted, we have had a very good year financially from the operational perspective.

I will let our Chief Financial Officer, Melinda Gildart, relate that, although certainly on a draft preliminary unaudited basis.

I had the privilege of working with Chairman Funderburg, and all of the Members, as well as all of the staff. We've had a great impact. I think that members of the public will see the diversity and impact.

Just on this months's agenda, there is a wide variety of projects that really demonstrate the importance of the volunteer work of the Members of

the Authority.

Also, I would like to update the Board

Members on various items that the Authority has been involved with over the last 12 months or so, in connection with the State's budget impasse, and I've taken the opportunity in my comments in past meetings to articulate clearly what we have committed to and how those commitments are being resolved.

First of all, the General Assembly passed, and Governor Rauner signed on June the 30th, what was known as a stopgap budget. Members of the Authority and the public will know that there were large portions of the State's budget and activities that were not -- that were not covered by a budget through most of the fiscal year that ended on June 30th.

The Authority was asked to take a role in various matters, in connection with the budget impasse. I discussed those in some detail with Chairman Funderburg. I also presented these at various meetings for votes in open session to the Members of the Authority.

The first took place about this time last

year. There is a statutory entity known as the Southwestern Illinois Development Authority. They have certain powers similar to ours.

They have a regional focus, certain counties in the metro east region of Southwestern Illinois; and some years ago, back in the 1990s, they issued some bonds to a private borrower that were backed by moral obligation. That is really a contingent state taxpayer guarantee.

And for any number of years since that time, the request has gone from their Chairman to the Governor, which has then gone to the General Assembly, a permissive request, not a mandatory request, for the General Assembly to pay the refilling of the debt service reserve.

Also, so that the bondholders can be paid principal and interest. Without a budget last July and last August, there was a payment due of approximately $1.3 million.

The General Assembly or the Governor's Office, Governor's Office of Management and Budget, asked the Authority to deploy some of our general funds to SWIDA, its trustee, ultimately to its bond holders.

We did so and made a payment last August the 1st. The Governor's Office of Management and Budget advised the Authority that this was necessary from their communications with various rating agencies to prevent a downgrade of the State of Illinois' credit.

It would have been, in my personal view, a particularly silly downgrade over $1.3 million. We made that payment. That situation was avoided.

I'm happy to say that working with he Governor's Office of Management and Budget, and

SWIDA's Executive Director, Mike Lundy, there are specific items within the stopgap budget for both the reimbursement of the Illinois Finance Authority for those payments of last year, and to enable SWIDA to make its payments this coming August 1st, 2016. So that's Item No. 1.

Item No. 2 was actually the most recent item. The Department of Human Services reached out to us in April. There was a program that is focused in the City of Chicago. It takes the form of grants to Catholic Charities, a nonprofit human services organization. Housing vouchers are provided to approximately 500 mentally-ill people in the City of

Chicago by keeping them in housing.

They are eligible for an array of services, which keeps them out of he emergency rooms and jails and the streets. We were able to, again, after discussions with the Chairman, presentation to the Board, we deployed approximately $600,000 to Human Services.

These housing vouchers were maintained. Yesterday, I was in touch with DHS Secretary Dimas' Chief of Staff, Fred Flather. He conveyed to the Members of the Authority the deep gratitude of the Department of Human Services to the members of the Authority for authorizing this.

And I should note Mr. Lundy of SWIDA is similarly grateful, as is his chair for the Authority's action. Mr. Flather identified for me that there are certain line items. They've been combing through the stopgap budget, which is a large and complex document, and they have basically identified some line items and that payment will be forthcoming.

On the $600,000 for DHS, given the life-safety issue that was involved, I recommended to the Authority that we not take interest or fees.

Similarly, given the grave potential consequences of missing the SWIDA payment last year, I believe that the appropriation only has a de minimis amount, $10 or $14,000 to reimburse the Authority for our fees. So those were two items.

The third item, and again this is a schedule contained within the financial analysis, although unaudited, is that beginning last October or November, we had a series of presentations and discussions before the Board that ended up in a couple of resolutions, I believe in November and February, that authorized the Authority to purchase State receivables, basically vendors who had not been paid, that were providing certain essential government services.

And that the Illinois Finance Authority would step into the shoes of those vendors and be eligible to be compensated for up to one percent a month, what is known as statutory prompt-payment interest.

Melinda has the exact amount, but I believe that at the current time, it is just over $5,000,000, and I was on the phone with Acting Director of the Illinois Department of Central

Management Services, as opposed to Federal CMS, that deals with hospital funding, Mike Kaufman. And we are in regular communication in identifying the line items and the schedule for repayment and reimbursement by the Authority.

So those are the three items: The SWIDA for approximately $1.4 million; DHS for approximately $600,000; and the State receivables, which were mainly for food vendors for either the Department of Corrections, the veterans' homes, or the janitorial services that is owned by a disadvantaged small business that cleans the Thompson Center.

Because, of course, the State employees that work in the Thompson Center are under court order to continue to work and to get paid. I will take any questions.

CHAIRMAN FUNDERBURG: So that's all good news.

MEISTER: Yes.

CHAIRMAN FUNDERBURG: Okay. Just to be clear. Alright. Thank you, Chris. Does anyone -- would anyone like to make any additions or correction to the minutes of the May 24th or the June 9th meeting?

If not, then, is there a motion to approve minutes?

BRONNER: So moved.

CHAIRMAN FUNDERBURG: By Bronner. Was there a second somewhere?

POOLE: Second.

CHAIRMAN FUNDERBURG: Seconded by Mr. Poole. All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay. Next up is financial reports.

GILDART: Good morning. My name is Melinda Gildart. I'm the Chief Financial Officer for the Illinois Finance Authority, and this month's financial report is as follows: For fiscal year 2016 unaudited results in the general operating fund, the Authority has generated estimated total annual revenues of $5.3 million, and that's 6 percent higher than budget.

Closings fees year-to-date are at $3.47 million, and that's 12 percent higher than budget. Net investment income for the year stands at about the $149,000.

In June, the Authority generated $479,000 in closing fees, and that's the second highest

monthly total in fiscal yearly 2016.

We received closing fees from Northwest Community Hospital for $130,000, the American Academy of Pediatrics for $105,000, UnityPoint Health Iowa Health System for $101,000, Rush University Medical Center for $79,000, Lake Forest Academy for $52,000, and various ag-related closings of $4,000.

We have total estimated annual expenses of $4.3 million, and that's just under $700,000 or 14 percent below budget. Our estimated year-to-date employee expense, at $1.8 million, and that's 24 percent under budget.

Our professional services are also at $1.8 million, and that's just over 1 percent over budget. Total cash transfers out of the general operating fund to the primary government borrowing fund, and that was behalf of the State of Illinois, are just over $5,0000,000.

We also transferred funds out of the general operating fund for the DACA loan program fiscal year 2016 of $1.2 million.

In June, the Authority recorded estimated operating expenses of $466,000. That's actually higher than the budgeted amount of $419,000, because we're looking year-end accruals, and we also made a payment to the Office of the Auditor General for the fiscal year '14-'15 financial audit and compliance examination.

Our total estimated monthly net income of $104,000, and that was driven by higher closing fees. Our estimated annual net income is just over $1,000,000 for fiscal year 2016. Again, the major driver of that positive bottom-line continues to be overall level of spending at 14 percent below budget, and a combination of unfilled vacant positions, the late IT project, in addition to higher closing fees than last fiscal year.

The Authority's balance sheet is as of May 31st, 2016. We were a $121,000,000 agency, which accounts for $267,000,000 in total activity, when you account for the other State of Illinois component units, such as the Illinois Environmental Protection Agency.

We account for $24,000,000,000 in outstanding conduit debt. In the general operating

fund, we have a net position of $54.3 million, most of which are assets. Liabilities are just over $800,000.

The Authority is still reviewing the new ambulance loans for fiscal year 2016, but that review is coming to a close. We seek to issue about $1.7 million in new ambulance loans in the next few weeks.

Total net position for the fire truck and the ambulance funds are at $26.7 million. The combined net position in the Industrial Project

Fund, in addition to the two State Agricultural Loan Guarantee Funds, are at over $28,000,000.

All other non-major funds account for about $39.6 million in net position for the Authority. Lastly, the Authority has formally invoiced the City of Chicago for the final payment of the $3,000,000 due on its Illinois Housing Partnership loan, and that payment is due on or before August 1st, 2016.

The schedule of debt, the State of Illinois receivables summary, and other documents are also included in your manila folder this morning. Are there any questions?

CHAIRMAN FUNDERBURG: Any questions at all?

MEISTER: I would just like to supplement Melinda's very positive report. Again, Section 4B, the locally-held Fire Truck and Ambulance Revolving Funds, the Members in their packets have a revised message from the Executive Director.

I just want to note the passing of Larry Matkaitis. He is the former Fire Marshal of the State of Illinois. His funeral is this morning.

I worked with him closely, along with State Representative Eddie Jackson, and State Representative Don Moffitt, to revise this program several years ago. And the positive result was that this program ended up in locally-held Authority funds that allowed the Fire Marshal's Office and the IFA to deploy fire truck and ambulance loans directly from IFA balance sheet during the past fiscal year, during the budget impasse.

So that change was made possible because of Larry's work and, you know, again we lost him over the weekend. So I'm sorry about that.

On positive news, and again we've had a lot of positive news this meeting so far, George, it's not always this positive, but Senate Bill 324

that we discussed last meeting that creates using resources of the Agricultural Guarantee Funds and expands those to qualified small business loans to veterans-owned businesses.

It also helped Melinda and Elizabeth and I address some audit findings, and that was signed into law towards the end of June, which in our view, eliminates the Government Compliance Finding No. 1, and the Government Financial Accounting Standards No. 1 from the FY15 and the FY14 and FY15 audit.

So we're very pleased to both having a new program, allow the staffing to be paid for from existing originally-appropriated funds. We look forward to working with Lerry Knox, a Navy veteran, who will be working with us on an Advisory Council to implement this and conversations with Senator Burtino-Terrant and Representative Natalie Manley, who helped passed this.

And we're also very grateful to Governor Rauner, who put this high on his signing agenda, and

it was signed into law before the end of May.

CHAIRMAN FUNDERBURG: Okay, thank you. Any other questions at all? If not, then, is there a motion to approve this month's or accept this

month's financial report?

BRONNER: So moved.

CHAIRMAN FUNDERBURG: Is there a second?

FUENTES: Second.

CHAIRMAN FUNDERBURG: All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Thank you. Please.

GILDART: This month's Procurement Report, the Authority has executed contract renewals for financially advisory services with Acacia Financial Group and Sycamore Advisors.

We executed an agreement with U.S. Bank to continue as the paying agent and custodian for Authority's local government pool, in addition to several IT operations, related agreements and other agreements for furniture, storage services, public meetings, reporting services, temporary staffing, Board book printing, electronic records management, and an agreement for hard-copy file records storage is also pending.

The Authority is also seeking to award a contract with a successful certified public accounting firm to assist it with its implementation with new government accounting standards for expanded financial reporting for investments.

In addition to Resolutions on the agenda today, involving the State Revolving Fund on behalf of Illinois Environmental Protection Agency, will be discussed later.

CHAIRMAN FUNDERBURG: Okay. Thank you very much. Next are Committee Reports by Chair Bronner.

BRONNER: Thank you. Thank you, Mr. Chairman. The Audit Plus Committee met Tuesday afternoon and voted unanimously to recommend for approval both the fiscal year 2017 budget, as well as the Procurement Resolution on today's agenda.

Although State Revolving Fund Senior Managers and Co-Managers were not discussed or voted on, because the staff evaluators had not yet completed their work. I understand that this work is now completed, and that the Executive Director will provide these recommendations today.

Additionally, the Audit Plus Committee reviewed a memo regarding IFA's supplemental responses for the fiscal year 2014 financial audit

and fiscal years 2014 and 2015 compliance examination for the Legislative Audit Commission, in

addition to the final report on the Authority's fiscal year 2016 GAAP package internal audit. I'm pleased to report continued positive progress on all fronts, and in particular in addressing any and all audit findings.

CHAIRMAN FUNDERBURG: Thank you. Thank you very much.

BRONNER: Thank you.

CHAIRMAN FUNDERBURG: Mr. Horne?

HORNE: Yes. The Tax-Exempt Conduit Transactions Committee met this morning prior to this meeting, and voted unanimously to recommend each of the tax-exempt transactions that are on today's agenda.

CHAIRMAN FUNDERBURG: Okay. Thank you. There are no other reports. Item No. 10 on the agenda is a Presentation and Consideration of Project Reports and Resolutions.

I would like to ask as each month we ask for the general consent of the Members to consider the Project Reports and Resolutions collectively, and to have the subsequent vote recorded and applied

to each respectively individual Project and Resolution, unless there is something, a Project to report or Resolution that a Member would like to consider separately.

Are there any items that the Members would like to consider separately?

GOETZ: Mr. Chairman, this is Mike Goetz. I may need to recuse myself on the Presence project. I think it's Item No. 5.

CHAIRMAN FUNDERBURG: It's Item No. 5, and please note that's Member Goetz.

Also, I would like to recuse myself from voting and any deliberations with respect to Item No. 2 on the agenda, which is The Art Institute of Chicago; Item No. 8, which is OSF Healthcare System; and Item No. 12, Procurements for the Project Report and Resolutions.

So are there any others at all? Okay. If not, then I would like to go ahead with the presentations.

Patrick are you on the phone? Patrick?

EVANS: Yes, this is Patrick Evans with Illinois Finance Authority. Today we have three beginning farmer bonds.

All three bonds will be purchased by the local bank and will be senior mortgage. Farm Service Agency, also known as FSA, will participate in origination of these loans, and will subordinate their interest in the collateral to the participating banks.

The first two loans are two sisters, Tracy Heuerman and Michelle Mellendorf, for purchasing equal interest in 48 acres of farmland. People's State Bank of Newton is requesting beginning farmer bonds for each loan.

Each loan will have the same loan term. Each individual will be requesting financing to purchase one-half interest in 40 acres of farmland for $6,000 or $400 per acre.

The property is located in southeast portion of Clay County in Southeast Illinois. These loans will being originated via an FSA 5/45/50 loan program. Each borrower will interject 5 percent equity into the purchase.

FSA will finance 45 percent, and the local bank will finance the remaining 50 percent of the purchase or $48,000. This $48,000 loan will utilize an IFA bond program. The terms of this loan will be

a 30-year amortization with annual principal and interest payment.

The interest rate will be 3.25 percent fixed for 10 years. The interest rate will adjust every 10 years at 2 percent below prime with a floor of 3.25 and a cap of 12.99. The interest rate will not adjust more than 3 percent at any rate-adjustment period.

The final loan is Brent McClure. People's State Bank of Newton is requesting a beginning farmer bond for Brent McClure, who is purchasing 40 acres of farmland for $244,800 or $6,120 per acre.

The property is located in Jasper County in Southeast Illinois. The loan will originate via 50/50/ FSA loan program. FSA will finance the first

50 percent of the purchase with a local bank financing the remaining 50 percent or $122,400.

This loan will utilize the FSA bond program. The terms will be 30-year amortization with annual principal and interest payment. The initial rate will be 3.25 fixed for 10 years.

The interest rate will adjust every 10 years thereafter at 2 percent below Wall Street

prime, and a floor of 3.25 with a cap at 12.99 will be established. Excuse me. The interest rate will not adjust more than 3 percent in any adjustment period. Any questions?

CHAIRMAN FUNDERBURG: Okay. If no questions, then Mr. Fletcher?

FLETCHER: Certainly. We'll skip ahead to No. 3 in the Board book, which is Final Bond Resolution on behalf of Mount Carmel High School, in a not-to-exceed amount of $22,000,000.

Established in 1900, Mount Carmel is an Catholic all-boy's high school located on the south side of Chicago at 64th and Dante Avenue. It's sponsored by the Society of Mount Carmel and managed by an 18 member board of directors.

The plan of finance here seeks to refund the Series 2003 bonds outstanding in the amount of approximately $13.2 million, as well as finance capital expenditures in the approximate amount of 18 -- excuse me, $8.8 million, including cost of

issuance.

The Series 2016 bond will be a direct purchase by Wintrust Bank. I would like to turn your attention to the middle of page 5 of the

report. We provided an estimated breakdown of the project cost that will be financed with the Series 2016 bond, including certain demolition cost, masonry and carpentry cost, as well as HVAC, electrical, plumbing and fire protection costs.

These improvements on campus are part of the school's overall of $50,000,000 new campaign -- excuse me, a campaign for a New Century of Excellence Fundraising Campaign, which first began in 2008.

Because the borrower is a non-rated entity, we provided a confidential forecast at the beginning of page 8. We anticipate that they'll generate sufficient operating cash flows to cover the proposed debt service.

Additionally, the Series 2016 bond will be secured by a repayment guarantee provided by Mount Carmel Educational Foundation, Inc. The school is the sole beneficiary of the Foundation.

Finally, I wanted to note because the Series 2003 bond that will be refunded through the issuance of the 2016 bond, is secured by a letter of credit issued by JP Morgan Chase, you'll note on the top of page 8 that we discounted our fee consistent with historical practice. I can take any questions.

CHAIRMAN FUNDERBURG: No questions? Thank you very much.

FLETCHER: Sure.

LENANE: This is project No. 4 in your book. The Newman Foundation at the University of Illinois. The Newman Foundation at the University of Illinois is requesting a one-time final resolution in an amount not to exceed $40,000,000.

The purpose of the financing is to refund their 2007 bonds, which were used to build a student housing facility. The Newman Foundation focuses on three operating areas: St. John Chapel, which conducts masses for Catholics; Newman Hall, which provides 581 beds for certified student housing; and the Institute for Catholic Thought, which provides theology courses for both college credit and non-college credit.

The financing is a direct bank purchase by PNC Bank. The interest rate will be variable with a swap to fixed. The variable bank rate floats at a tax-exempt equivalent of LIBOR plus the spread.

The Newman Foundation at the University of Illinois was first organized in 1905. Today Newman

Centers can be found at most large public universities throughout the country.

In 1927, the Newman complex was built at the University of Illinois, consisting of St. John's Catholic Chapel and Newman Hall, students' resident. The Newman Center is located at the heart of the University of Illinois campus, directly across from the library and the armory, less than one block from the quad Foellinger Auditorium and most classroom buildings.

The hall was expanded in 2008 to a 381 bed capacity. Newman Hall is one of the 16 private certified housing facilities, included as part of the University's housing program. Private certified housing meets standards set by the University of Illinois for all students, including freshmen. Within any given year, approximately 27 percent of the entering freshmen class chooses to live in one of the private certified housing facilities.

Freshmen enrollment for the fall of 2015 was 7,222; undergraduate enrollment, 32,878; and a total enroll of 43,123. Freshmen are required to spend their first 30 academic hours at the University or private certified housing.

Students may transfer to Newman Hall when there is a vacancy without penalty. The University's private certified housing requires standards to meet for -- to be met for eligible -- for safety, space and amenities.

All students must be eligible to apply for private certified housing, regardless of religion.

Newman's audited 2015 financials show good debt service coverage of 1.76 and days cash on hand of 165 days.

This refunding will give Newman a net present value savings at $10.5 million on their bonds. I would like to introduce Ms. Anne Donahoe, who is a financial advisor, and is a financial advisor to Newman Foundation.

DONAHOE: Hello. I would be happy to answer any questions you might have about this financing. Pam summarized the economics well, as well as described the Newman Foundation and the residential halls down there.

Does anyone have any questions that I might be able to answer? Well, having not heard any questions, I want to thank you on behalf of the Newman Foundation for your assistance with doing

this financing, which as Pam said will result in considerable net value savings for them. Thank you.

CHAIRMAN FUNDERBURG: Great. We thank you for coming today.

LENANE: Okay. We're going over No. 5, right?

FLETCHER: Correct.

LENANE: And we're going to go to No. 6, which is Riverside Medical Center, Riverside Senior Living Center, and Oakside Corporation.

Riverside Medical Center, Riverside Senior Living and Oakside Corporation are requesting a

Final Bond Resolution in the amount not to exceed $90,000,000, to currently refund all or a portion of the IFA's 2006C bonds, to advance or refund all or a portion of the IFA Series 2009 bonds, and to pay or reimburse Riverside for the cost of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by Riverside.

This will produce 97 construction jobs and for this work, and two new jobs at Riverside. Riverside is a regional health system operating in the far southern portion of Chicago of the Chicago metropolitan market and is headquartered in Kankakee. Riverside owns and operates a general

acute care hospital in Kankakee, which is licensed for 312 beds.

In addition to the main Kankakee Hospital facility, Riverside operates the Resolve Center in Manteno Illinois, which houses 18 bed licensed inpatient, substance abuse and associated outside program.

In addition, Riverside operates multiple community primary and specialty health centers in Kankakee, Bourbonnais, Manteno, Monee, Momence, Hopkins Park, Watseka, Gillman, Wilmington, Peotone and Coal City. Lots of places.

Anyway, Riverside also owns and operates a senior living community in that includes 90 independent living apartments, known as Westwood Oak, 96 assisted living apartments known as

Butterfield Court, and a 21 ranch-style family homes for seniors known as Westwood Estates, and 160 bed nursing facilities.

The senior living community is located directly across from the medical center in Kankakee. The Living Center also operates assisted living and a memory care campus in Bourbonnais, consisting of 48 studio units for memory care, and 33 -- 32

assisted living units.

From growth and investments and new programs, Riverside has added 331 new jobs since June 20, 2012. Riverside has a history of a strong operating margin and favorable liquidity rates.

The net present value -- their current days cash on hand is 379, and the net present value savings from the current refunding of the Series 2006C and the partial advance refunding of the 2009 bonds, is estimated at $6.1 million.

Are there any questions?

CHAIRMAN FUNDERBURG: So we'll move on to Item 7.

LENANE: Thank you. No. 7, Smith Village. Smith Village returns for a final resolution in an amount not to exceed $35,000,000. The bond proceeds will be use to currently refund the 2005A bond, and the 2005B-2 bond and pay a portion -- pay for the cost of issuance.

Smith Village is an Illinois

not-for-profit located in Chicago's Beverly neighborhood and operates a continuing care retirement community consisting of 149 independent living units, 57 traditional assisted living units,

24 memory care units, and 100 skilled nursing beds.

Smith Village is currently a non-rated entity. The plan of finance contemplates a direct bank purchase of the bonds by First Midwest Bank and First Merit Bank. The bonds will be issued as floating-rate debt and will be swapped to fixed-rate debt.

The refinancing of the 2005A bonds and the Series 2005B-2 bonds will result in a total savings of $11,347,000 over the next 10 years, with an average annual debt service savings of approximately $1.1 million.

As a result of the issuance, long-term debt obligations will immediately be reduced by $2,600,000. The debt service coverage from the audited 2015 financials is 2.05, and the days cash on hand is 204 days. Any questions?

I note Smith Village's financial advisor, Tom Starshak, is here. I don't know if you want to make any comment.

STARSHAK: No.

LENANE: Or you could answer questions. Number of 8 -- 9?

MEISTER: Yes.

LENANE: Oh, right. Got it. The Moorings of Arlington Heights is seeking a preliminary -- is requesting a Preliminary Bond Resolution in the amount of not to exceed $70,000,000 to fund the construction of Fellowship Hall, a 27,000 square-foot resident common area; and to fund the construction of 73 assisted living units, and construction of 20 unit memory care expansion, and to fund interest on the bonds for a period of approximately 24 months.

Presbyterian Homes, a newly-formed not-for-profit, became the sole member of the -- sole member of Presbyterian Homes transition NFP, and now the Moorings is a subsidiary of the Presbyterian Homes.

The system is headquartered in Evanston, Illinois, a suburb of north Chicago, and currently serves of approximately 1,600 older adults throughout its five facilities and various programs.

The project will produce 85 construction jobs and 50 new jobs. The bonds will be a direct bank placement with First Midwest Bank and Huntington Bank.

They will be a variable-rate debt with the

an interest-rate hedge. I will present their financials alone at the next meeting, at next

month's meeting, when we do the final.

Currently, the Moorings' financials are part of Pres. Homes, and we have to break them out and do some projections, but we'll have that for the final.

CHAIRMAN FUNDERBURG: Okay.

LENANE: Thank you.

CHAIRMAN FUNDERBURG: Thank you.

FLETCHER: Mr. Chairman, Members, next is tab No. 10, which is a resolution on behalf of MACC Machinery Company and its corporate affiliate, 590 Tower Boulevard, LLC.

In 2006, JP Morgan Chase Bank purchased the IFA bond at a fixed interest rate through June of this year, 2016. At this time we are being asked to consent. The borrower and the bank have agreed to fix that interest rate at a reset rate for another five years, as well as adjust the amortization schedule through maturity.

Because of that change in the amortization schedule, IFA will be conducting a public hearing tomorrow, as well as receiving appropriate approvals

from the Governor's Office.

Accordingly, I will be charging a $5,000 fee for this reissuance for tax purposes. And just as background, bond proceeds in 1999 were originally to finance the company's construction of its manufacturing facility out in Carol Stream. I can take any questions.

Next is tab No. 11 in your Board book, which is a technical amendment for Navistar, Inc. IFA issued a Series 2010 bond under provisions of the American Recovery and Reinvestment Act in December of 2010.

This is technical amendment; we are being asked to consent to simply correcting a scrivener's error in the bond documents in connection with the definition of disqualified capital stock. IFA is happy to do this as customer service. Accordingly, we will be taking no fee. Any questions?

CHAIRMAN FUNDERBURG: Thank you.

MEISTER: Okay, Item No. 13 is a request for approval of an inter-governmental agreement between the Illinois Finance Authority and our State-sister agency, the Department of Commerce and Economic opportunity.

They have leased space, DCEO, Department of Economic -- Commerce and Economic Opportunity has leased space in a building in downtown Springfield, within walking distance of the State Capitol, and we have two offices there.

Tammy Harter and Patrick Evans, we pay no fee for this, and I'll take any questions, and I ask for the Board support.

Okay. Every July at this meeting, the Authority adopts a budget for the next 12 months. We are now in fiscal year 2017. And because of the

unique governance and funding structure of the Authority, we generate our own revenues, and that revenue goes largely into our own locally-held accounts; and then the authority is delegated to myself and to senior staff to write checks and spend money from those accounts.

We do, in tab No. 15, supplement it by -- in the Board Member's manila folders, there is a cover page on top of the Resolution. The cover page takes the place of the cover page in your Board book.

But this is the most detailed budget that I believe that the Authority has ever submitted to

the Board. I want to compliment Melinda and her team for their fine work on this, along with the other three members of the senior staff, General Counsel Elizabeth Weber, Vice-President Rich Frampton, and Vice-President Pam Lenane.

A piece of work product like this only comes because of the collegial working of the senior team. The grand total is just over $4.9 million. It is very similar to last year's budget.

We do have -- we do have some -- we have eliminated some previously-approved IT systems and implementation and some prior head count. It does include up to -- it allows for up to a -- it allows for a partial increase for staff.

I've discussed with Chairman Funderburg and Chairman Anderberg that given the workload and the uncertainty connected with the budget impasse items that I discussed, that it was my recommendation to the Board rather than, as we did last year, do staff evaluations and salary adjustments at the July meeting, that we do that in August so there is a line item that accounts for that after work with staff and submission to the Authority on that.

I will tell you, and we had a robust discussion in Chairman Horne's Committee, the Conduit Committee, which is our prime revenue driver. I do want to thank Pam and Rich.

They have provided, as well as their deep knowledge and experience of their respective markets, allow revenue projections for the next 12 months. I have pressed them to go beyond that.

I believe that these predictions are merited, in light of current deal pipeline and the current historically low interest rates.

So we'll take any questions or if Melinda has any supplements. We did discuss this in some detail yesterday morning.

GILDART: Just to highlight the assumptions, and as Chris mentioned, the elimination of vacant positions from the FY16 budget, in addition to the debt management software implementation that was eliminated in FY17.

It assumes a full year temporarily

staffing, and also the continuation of the electronic records management implementation which began in 2013, which allows for the Authority to convert al of its hard-copy files into electronic

format for ease of accessibility to all staff and other users.

MEISTER: Also, to supplement Melinda's comments, and also for the newer Members of the Board, the Authority is subject to certain State regulatory screens, in particular what's known as the U.S. Supreme Court Rutan decision.

A number of Senior Members of the Authority have been trained on the official Rutan training. We have relied, over the last year and before, on temporary staffing services.

While that is costly, we do want to get away from that, although the positions that we need to fill are subject to this screen, which is subject to a fairly complicated and complex regulatory screen, but we are working with the Illinois Department of Central Management Services on that.

Also, with respect to this IT system, this was something that Melinda and I discussed, and that I had signed off on. The budget simply does not support it, although I do want to note for the Board that over the past two years, we've devoted significant investments to addressing long-standing investments in compliance and other related --

addressing other related costs.

Temporary staffing has been a large part of that effort. Although the ultimate decision is qualified effective permanent staff, which we hope to have in the next 12 months.

It was a difficult decision to walk away from this particular staff investment. The bright side is that there is a newly-created by Governor's Executive Order IT Department within State government called DO-IT. I can't tell you what it stands for. Oh, here, Melinda has it. Say it again for the record.

GILDART: Innovation and Technology.

MEISTER: Yes, Innovation and Technology. I like the way that they've taken IT and called it Innovation and Technology.

But I was in communication with Secretary Hartick Botts, who heads up DO-IT, his chief of staff. As we were making this decision, we are going to reopen discussions with DO-IT. I'm trying to piggyback on to some of their expertise and resources.

So, again, this is a budget. And again, from the revenue perspective, we could still fall

short, although I believe that our assumptions and our projections are reasonable, particularly in

light of the current moment. But the Authority and its staff, as good as they are at their respective sectors, it is ultimately the decision of private borrowers, their financial advisors, their bankers, to come to the Authority and issue or restructure debt, not the decisions of Pam and Rich, or the rest of the staff. But I ask for an aye vote from the Board.

CHAIRMAN FUNDERBURG: Okay. In regard to the budget, too, I know it has been a thorough process, and that Executive Director Meister has pushed in appropriate places on the revenue side and been very mindful on the expense side.

Any discussion or questions on that, or anything else we discussed for that matter before a vote?

Okay. Then I would like to request a motion to pass and adopt the following Project Reports and Resolutions: Item 1, 3, 4, 6, 7, 9, 10, 11, 13 and 4. Is there such a motion?

ANDERBERG: So moved.

CHAIRMAN FUNDERBURG: By Mr. Anderberg.

McCOY: Second.

CHAIRMAN FUNDERBURG: By Mr. McCoy.

FLETCHER: On the second and motion, I'll call the roll. Mr. Anderberg?

ANDERBERG: Yes.

FLETCHER: Ms. Bronner?

BRONNER: Yes.

FLETCHER: Mr. Fuentes?
FUENTES: Yes.
FLETCHER: Mr. Goetz on the phone?
GOETZ: Yes.
FLETCHER: Mr. Horne?
HORNE: Yes.
FLETCHER: Ms. Juracek?
JURACEK: Yes.
FLETCHER: Mr. Knox?
KNOX: Yes.
FLETCHER: Mr. McCoy?
McCOY: Yes.
FLETCHER: Mr. Obernagel?
OBERNAGEL: Yes.
FLETCHER: Mr. Poole?
POOLE: Yes.
FLETCHER: Mr. Zeller?

ZELLER: Yes.
FLETCHER: Mr. Chairman?
CHAIRMAN FUNDERBURG: Yes.
FLETCHER: Mr. Chairman, the motion carries.
CHAIRMAN FUNDERBURG: Thank you very much. At this point, I would like to excuse myself from the room and recuse myself from voting on the next items here.
First, The Art Institute. I serve on a committee of an auxiliary group of The Art Institute. Also, on OSF, I have business and

personal relationships; on the procurement side, I have personal relationships with some of the firms that are being considered. So excuse me.
FRAMPTON: Okay, thank you.
FLETCHER: Let the record reflect that Chairman Funderburg has recused himself from deliberations by exiting the room.
FRAMPTON: Okay, thank you. With that, we will move on to tab 2 in your book, which is for The Art Institute of Chicago. The Art Institute is requested a Final Bond Resolution in an amount not to exceed $47,500,000.
The proceeds will be used to advance

refund The Art Institute Series 2009A bonds, the 2008 -- the 2009A bonds were a part of an original $140,000,000 financing, the proceeds of which were primarily used to provide for permanent financing for The Art Institute's modern wing.
In addition to that, there were improvements to Gonzales Hall, a number of galleries and also other capital improvements were undertaken at that time.
Currently, these 2009A bonds bear a fixed interest rate of 6 percent. The existing final maturity date is March 1, 2038. In connection with the refinancing, that final maturity date will be maintained, but The Art Institute will be able to ride down the yield curve to where current market rates are.

The 20-year rates, just based on where the MMD index is, is around 2-and-a-half percent or so. The Art Institute also, as a result of the savings, expects to be able to also begin amortizing this, the 2016 bonds.

So not only will they lower the interest rate, but they'll be able to apply savings to accelerate amortization and to also attain

de-leveraging objectives.

In January, Moody's upgraded The Art Institute of Chicago's credit outlook from neutral to positive and also affirmed their A1 rating. At the time Moody's noted that The Art Institute, and they have a positive outlook that reflected expectations of continued strong cash flow, in addition to ongoing significant debt reduction, which will occur without adversely affecting the institution's liquidity.

And with that, I will conclude my remarks. With that, I would like to introduce --

SOWDEN: Alison Sowden.

FRAMPTON: Alison Sowden, who is Executive Vice-President and Chief Financial Officer of The Art Institute of Chicago.

SOWDEN: Thank you for your consideration this morning. We have had a long partnership with the IFA, which we're grateful.

The Art Institute has been issuing

tax-exempt debt since 1978 when not-for-profits were first allowed to do so. This issuance will allow us to generate considerable net value savings on the advance refunding. We are proud to be partnering

with our underwriters, JP Morgan and Loop Capital, on this deal.

So I'll ask if there are any questions that I can help you, but I thank you again.

BRONNER: No questions.

FRAMPTON: Okay, thank you very much.

BRONNER: Than you, Mr. Frampton.

LENANE: This is tab No. 8. OSF Healthcare -- OSF Healthcare System is requesting a one-time Final Bond Resolution approving the issuance of tax-exempt bonds in an amount not to exceed $120,000,000. The proceeds will be used to advance refund the IFA's Series 2010 bond.

OSF is headquartered in Peoria. Ten of the hospitals -- the corporation's hospitals are located Illinois. One hospital is located in Michigan.

OSF has 1500 licensed acute care beds. The corporation's largest hospital, St. Francis Medical Center in Peoria, is a 609 bed tertiary care teaching hospital, and the center providing numerous specialty services and extensive residency programs for physicians.

The array of healthcare services provided by OSF include 44 hospital-based outpatient facilities, approximately 248 physician offices; and of employed physicians, six home healthcare agencies and five hospices.

The system currently employs 15,290 people. OSF is rated A2 by Moody's and A by S&P. The bond will be fixed-rate debt, with the rate to be determined at pricing. The bonds are being underwritten by Barclays.

OSF has strong financials with a 3.45 debt service coverage and 215 days cash on hand. The net present value savings from this advance refunding is estimated to be approximately $16,000,000. And today we have with us again Ms. Anne Donahoe, financial advisor to OSF.

DONAHOE: Thanks, Pam. I would be glad to answer any questions that you might have; but interestingly enough, just as The Art Institute had the 6 percent, these were 6-percent bonds back following the crisis that was interest rates that were -- had to be accepted, but now can be advance refunded for significant savings.

So OSF has been here before for multiple financings. It's a large organization and do

appreciate the Illinois Finance Authority in general, and Pam in particular. May I answer any

questions you might have?

BRONNER: No questions. Thank you.

DONAHOE: Thank you on behalf of OSF. Thank you very much.

BRONNER: Thank you. Thank you, Pam. And now we move to Item No. 12.

MEISTER: Yes.

BRONNER: Resolution -- Procurement.

MEISTER: So Item No. 12, there is a memorandum, a revised version that is contained in the Board Member's manila folders.

FLETCHER: Wait. Not yet.

MEISTER: So there are four items, and I will highlight the revisions. The first item is we are seeking Board approval for the extension of the competitively procured financial advisor contracts for the Authority.

This is the first renewal; the two financial advisors that are paid hourly are Acacia Financial Group of and Sycamore Advisors. Both are women-owned businesses.

We rely on them for two functions: First,

the business of the Authority; and second, we have an upcoming financing with the Illinois Environmental Protection Agency, known as the State Revolving Fund, and I've assigned both of these financial advisors to assist with that to use their expertise.

I ask for the Board's approval on both of these, both the extension and for work on the State Revolving Fund. I will take any questions.

I will also note on all of these, and there was a line out in your revised memo, is that this memo was originally prepared for the Board books before we had balanced everybody's schedule for the Audit Procurement and Budget Meeting that took place on Tuesday of this week; hence, the deleted language.

No. 2, this is for -- also for the State Revolving Fund with Illinois Environmental Protection Agency, at the request of the Illinois Environmental Protection Agency, the Illinois Finance Authority is working in the next month or two to issue bonds pursuant to this program.

Unlike the conduit bonds that the Members have heard through most of this meeting, these are

more akin of IFA and IEPA, both being the issuer and the borrower; whereas, for as example with OSF or The Art Institute, OSF and The Art Institute are the borrowers and the Authority is the conduit issuer.

Pursuant to the State Procurement Regulations, back in September of 2012, there was a fairly lengthy competitive process, and ultimately four senior managers and -- okay, four senior managers and a number of co-managers were selected. They were graded. They were put under contract.

There was at the time -- and ultimately in

November of 2013, we issued $140,000,000 of bonds. At that time it was Bank of America Merrill Lynch, who was the senior manager, and we had two co-managers: Ramirez and Loop Capital.

We are now looking at a significantly larger financing than the $140,000,000. I'll also note for the record that prior to 2013, the Authority and its predecessor, the Development Finance Authority, issued State Revolving Fund bonds in 2004 and in 2002.

The 2013 deal was a success. We borrowed $140,000,000 worth of bonds. They were rated by two separate rating agencies as AAA. They were priced

with no Illinois penalty, and this was quite an accomplishment at the time that it was some weeks before pension reform that has now been overturned by the Illinois Supreme Court, but it was some weeks before that was passed by the General Assembly the first time.

And because of the way that we partner with IEPA, we freed up some State reserve funds, and we borrowed a number of years of State match. So, in essence, because this is a federal program that is accessed.

So, in essence, we borrowed $140,000,000, and we took a $400,000,000 loan program and turned it into a nearly $800,000,000 loan program. So what we did was we took these contracts.

There was a discrepancy between the

solicitation document that contemplated extension of these contracts, and the actual contracts, themselves, that due to a scrivener's error, did not contemplate the extension of these contracts due to timing.

We went to the Procurement Regulators. They signed off on the extension of these contracts for the one-year term. So I'm asking for two

things, confirmation of the extension of all of these contracts for a one-year term, they expire later this month; and at the same time given the request by IEPA, we engaged in, and this was discussed with the Board over the past couple of months, we engaged in a very robust and very expedited selection and solicitation, and selection process from among these underwriters that were already under contract.

And, indeed, as we sit here today, are currently under contract with the Authority, and I have passed out to the Board this one pager.

The work of the Senior Members of the Authority team, who I will not name in open session, one Senior Member of IEPA, and then the procurement lead, Christy Renaldi from IEPA, did an extraordinary amount of work in conjunction with the financial advisor.

I am pleased to share the results of their work. For the senior managers, and the solicitation

document provided for one or more, I will ask the Board to approve Merrill Lynch, Pierce, Fenner and Smith, Incorporated, sometimes referred to as Bank of America Merrill Lynch, to be senior manager and

sole book runner for the upcoming issuance.

Citigroup Global Markets as co-senior, as that we believe the size of this transaction will support a co-seniors. And for co-managers, and there were six respondents, we are recommending five co-managers. I will read them in alphabetical, not their evaluation criteria order.

Jefferies & Company, Loop Capital Markets, Piper Jaffray, Samuel A. Ramirez & Company, and Siebert Bradford Shank as co-managers. Again, this was a robust process.

I want to express my deep gratitude to the evaluators. This was a complicated, complex, highly-regulated task. I'm grateful for their time and attention, especially since they had a wide array of other time-sensitive duties.

I will take any questions on the underwriters. Okay.

HORNE: Chris, when we come to a vote on that, I want to recuse myself from that. My daughter works for, summer job, but she does work for one of those. So if we could just have that vote separated.

MEISTER: General Counsel Weber, what would you

suggest?
WEBER: My guess is since there's been no discussion, I would suggest you leave the room at the moment.
HORNE: Sure. It was just put in front of me about a minute ago.
WEBER: Sure.
HORNE: I didn't want to vote on it.
MEISTER: Yes.
BRONNER: Thank you. No else leave.
MEISTER: We still have Mr. Goetz on the phone. Mr. Goetz?
GOETZ: Yeah, I'm still here.
MEISTER: Okay.
BRONNER: You still have his number.
MEISTER: All right. Good.
WEBER: I would have him stay out for any further discussion of Item 12, but you may want to have him come back in for votes on --
BRONNER: No. 5, for 2, 8 and then --
WEBER: 2 and 8 and separate out No. 12.
BRONNER: Fine.
MEISTER: Okay. So Procurement Item No. 3, State Revolving Bond Counsel, authority counsel,

underwriter's counsel, trustee-related engagement, I may have to rely on General Counsel Elizabeth Weber

to -- on some of these points.
But we did pass a prior resolution to go forward with this. Again, at the request of -- at the request of IEPA, we -- again highly-regulated process, we solicited proposals from a pool of 35 law firms for bond counsel. Again, a robust process.
Katten Muchin was selected. I will note, for the record, that General Counsel Weber and Deputy General Counsel Denise Burn, Denise, raise your hand since you're a new edition, formerly worked at Katten. So we took great efforts to wall them off from this process.
Again, my thanks to the evaluators. You have my gratitude. Given the time-sensitive nature of this, I had conversations with Audit and Procurement Chair Bronner and Chairman Funderburg.
I engaged Katten Muchin so that they could begin work, given our tight timeline, and so I ask for a confirmation of that selection. Again, a robust and regulated and very detailed process.
Given our situation with our two lawyers

on staff, I did again make the decision to engage Schiff Hardin, Bruce Weisenthal, who is a trusted member of our pool of issuer's counsel.
He's the Authority's issuer's counsel on this, pursuant to the terms of his existing contract. I would ask for confirmation of that.
And then, Ms. Weber, I think I may be

missing some nuances here in the memo on underwriter's counsel, trustee, rating agencies, and other professionals that we need authority for.

WEBER: Right. I think we are authorizing to go forward -- in the resolution authorizing to go forward to procure the services of those entities in the future.

MEISTER: Yes. And, in fact, the rating agencies, the procurement methodology, again, highly-regulated process, those may well end up being sole economic sources.

So I ask -- I'll take any questions on the counsel and the related engagements. Any question questions?

BRONNER: No questions.

MEISTER: Okay. Item No. 4, again, as the Authority, particularly the newer Members are

getting a sense for the Authority and other State actors in the State, procurement is a highly-regulated, detailed, resource-intensive process.

We provide the Members of the Authority -- we recognize that you are volunteer Members, and that while the vast majority of what we do is conduit debt, which by its nature has little financial, or should have little financial exposure to the Authority's Board Members, we recognize that you are volunteers providing service to the people

of the State of Illinois, and that you all have private reputations and professional reputations and private and personal assets.

So we have taken pains over the last few years to be aggressive, and this was the sense of last -- of the last Chairman and the last Board to be aggressive on obtaining director's and officer's liability insurance, as well as additional insurance for the Authority and its senior management team or the Authority as a whole. Again, a regulated process.

Mesirow, our current insurance brokerage, also was competitively procured for a State master

contract; however, working with the State Procurement Regulator, the scope of that contract did not fully contemplate what we needed to do with them.

Simultaneously, we had previously competitively procured for an insurance broker. It was Mesirow, although that contract has since expired. Pursuant to the Procurement Regulations, we went to the Regulators.

We explained this process, which sometimes results in an open hearing for stakeholders. Again, insurance brokerage is a competitive business. This was published.

There were no stakeholders that came forward, and the Chief Procurement Officer approved us moving forward with an insurance contract with

Mesirow. Again, we've had very good service.

I think next month we will provide the Board with a representative of Mesirow to go over all of the coverages, all of the excess coverages, but I'm asking for confirmation by the Authority to -- for the approval of this contract that has already been approved by the various Procurement Regulators, and which was discussed in some detail

in Chair Bronner's Committee meeting on Tuesday.

Interestingly enough, because procurement is never simple, and there's always another shoe to drop, yesterday morning it was announced that Mesirow is selling its insurance brokerage business to a company named Alliant.

And I spoke with our Mesirow person, and he assured me that the same people would remain in place, and this has happened from time to time. Typically what happens is that we take news of things like this, and we go to the Procurement Regulators and we explain the situation, and we're allowed to change the State public contract accordingly.

At the time that this went to print, the legal departments of Alliant and Mesirow were still reviewing the public -- the official public statement; however, it was still reported widely in Crain's and the Chicago Tribune. So sharing that piece of news, again, I will take any questions on

this.

BRONNER: Hearing none, Mr. Assistant Secretary, should we then proceed with Mr. Horne out of the room for to adopt and pass resolution for

Item No. 12?

FLETCHER: Yes, with the amendments.

BRONNER: With the amendments offered by the Executive Director.

WEBER: And one other correction I would like to note.

BRONNER: And one other correction.

WEBER: In reference to Morgan Keegan in the resolution, it should reflect that they are now Raymond James.

BRONNER: Is there such a motion?

POOLE: I move the motions be adopted.

JURACEK: Second.

BRONNER: Board Member Poole and seconded by Board Member Juracek.

FLETCHER: On the motion and the second, provided that the record reflects that Member Horne has recused himself by exiting the room, I will call the roll.

Mr. Anderberg?

ANDERBERG: Yes.

FLETCHER: Ms. Bronner?

BRONNER: Yes.

FLETCHER: Mr. Fuentes?

FUENTES: Yes.
FLETCHER: Mr. Goetz on the phone?
GOETZ: Yes.
FLETCHER: Ms. Juracek?
JURACEK: Yes.
FLETCHER: Mr. Knox?
KNOX: Yes.
FLETCHER: Mr. McCoy?
McCOY: Yes.
FLETCHER: Mr. Obernagel?
OBERNAGEL: Yes.
FLETCHER: Mr. Poole?
POOLE: Yes.
FLETCHER: And Mr. Zeller?
ZELLER: Yes.
FLETCHER: Ms. Vice-Chairwoman, the motion carries.
BRONNER: Thank you. We should not invite Member Horne back?
FLETCHER: Let the record reflect Member Horne has returned to the room.
BRONNER: Thank you. Welcome back.
HORNE: Thank you.
BRONNER: I would like to request a motion to

pass and adopt the following project reports associated with Items No. 2 and No. 8. Is there

such a motion?
OBERNAGEL: So moved.
McCOY: Second.
BRONNER: Member Obernagel and McCoy second.
FLETCHER: On the motion and the second, I'll call the roll. Mr. Anderberg?
ANDERBERG: Yes.
FLETCHER: Ms. Bronner?
BRONNER: Yes.
FLETCHER: Mr. Fuentes?
FUENTES: Yes.
FLETCHER: Mr. Goetz on phone?
GOETZ: Yes.
FLETCHER: Mr. Horne?
HORNE: Yes.
FLETCHER: Ms. Juracek?
JURACEK: Yes.
FLETCHER: Mr. Knox?
KNOX: Yes.
FLETCHER: Mr. McCoy?
McCOY: Yes.
FLETCHER: Mr. Obernagel?

OBERNAGEL: Yes.
FLETCHER: Mr. Poole?
POOLE: Yes.
FLETCHER: And Mr. Zeller?
ZELLER: Yes.
FLETCHER: Ms. Vice-Chairwoman, the motion carries.

BRONNER: Thank you. We should now invite the Chairman back in the room.

GOETZ: And I need to recuse myself. Do I need to say why I need to recuse myself again?

WEBER: Yes, please.

MEISTER: Yes, please.

GOETZ: I'm recusing myself on item No. 5, Presence Hospital, because my son works for the firm that is their financial consultant. And do I also need to explain why I'm on the phone rather than not there in person?

MEISTER: Yes, that would be helpful.

GOETZ: Yes, I have a business conflict at noon today; and this afternoon, I've got a board meeting of the Illinois Housing Council, which I currently chair.

MEISTER: And which I understand Mr. Goetz is

the Trade Association for your primary employment?

GOETZ: Yes.

MEISTER: Which is Housing Development?

GOETZ: Yes, Housing Development, yes.

FLETCHER: And, therefore, employment purposes?

MEISTER: And, therefore, employment purposes.

GOETZ: Yes. Alright?

CHAIRMAN FUNDERBURG: Alright.

GOETZ: Anything else from me, Chris?

MEISTER: Thank you very much.

CHAIRMAN FUNDERBURG: Yeah, thank you.

GOETZ: Okay, thank you. Hopefully I'll see you guys in August. Thank you.

BRONNER: Bye.

GOETZ: Bye.

FLETCHER: So let the record reflect that Chairman Funderburg has returned to the room; and likewise, Member Goetz has recused himself in deliberations by terminating his participation by audio conference.

BRONNER: Welcome back.

CHAIRMAN FUNDERBURG: Thank you. Thank you. So, Pam, please.

LENANE: Presence Healthcare, Health Network,

is requesting a Final Bond Resolution to approve a series of tax-exempt and taxable bonds in an amount not to exceed $1.2 billion to refund all of their existing bonds.

Now that the transaction has been sized, it will be $970,000,000. Presence is the largest Catholic health system in Illinois, as well as the largest provider of Medicaid and behavioral healthcare services.

Presence's ratings were issued this week, but I'm going to let Presence CEO, Mike Englehart, who is here patiently waiting, to tell you about those results.

The bonds will be issued either as fixed or variable-rate debt. The rate will be determined at pricing. The bonds will be underwritten by JP

Morgan Securities, and the net present value of the savings to Presence by this refunding is $50,000,000.

CHAIRMAN FUNDERBURG: That's great. Thank you.

LENANE: Mike Englehart, CFO.

MEISTER: CEO.

ENGLEHART: I'm not smart enough to be the CFO. Thank you very much for a few minutes of your time.

First, we would like to say a special thank you to Chris Meister and Pam Lenane, who have been outstanding to partner through a short period of time.

We were here at the very end of May requesting approval to move forward on a note. That note marked Chapter 1 of a two-step process. In coordination with JP Morgan and with Kaufman Hall, we are now ready to go out, as Pam articulated, to restructure our entire debt.

We have instituted a fix, build and grow strategy. This is a key component of it. The restructuring the of $970,000,000 has been thoughtfully considered.

The refinancing will dramatically reduce any event risk for the system. The refund, as Pam articulated, has a net present value of $50,000,000 which is profound for our health system.

The total restructuring will change our actual debt from an annual payment of approximately

$92,000,000 to what we're forecasting to be about $73,000,000. So an ongoing steady improvement for us.

It will also change the master trust

indenture. You have in your booklet, the rating agencies. All three have placed us at BBB, with a negative outlook.

What I would share with you is that the system has moved swiftly in a short period of time to stabilize, and we feel that the rating reflects the execution that has occurred through the first half of this year.

We are pleased, and we also feel that all three of the rating agencies articulate the key steps that we need to take, in order to move up on the ladder as far as grades are concerned, which we're all about. This is a key component of it.

So we are excited to let you know that we have printed our POS yesterday, and that we look to have pricing on July 26th, with a close date of August 16th.

Our May financials are also provided to you, and we are ahead of plan. And we look to be able to produce the June financials shortly, and we continue to be optimistic.

We would be happy to answer any questions you might have at this time.

CHAIRMAN FUNDERBURG: Thank you very much.

ENGLEHART: Thank you.
CHAIRMAN FUNDERBURG: Okay. At this point, then, I would like to ask for a motion to pass and adopt the following projects: Resolution Item No. 5. Is there such a motion?
BRONNER: So moved.
CHAIRMAN FUNDERBURG: Is there a second?
HORNE: Second.
FLETCHER: On the motion and second, I will call the roll. Mr. Anderberg?
ANDERBERG: Yes.
FLETCHER: Ms. Bronner?
BRONNER: Yes.
FLETCHER: Mr. Fuentes?
FUENTES: Yes.
FLETCHER: Mr. HornE?
HORNE: Yes.
FLETCHER: Ms. Juracek?
JURACEK: Yes.
FLETCHER: Mr. Knox?
KNOX: Yes.
FLETCHER: Mr. McCoy?
McCOY: Yes.
FLETCHER: Mr. Obernagel?

OBERNAGEL: Yes.
FLETCHER: Mr. Poole?

POOLE: Yes.
FLETCHER: Mr. Zeller?
ZELLER: Yes.
FLETCHER: Mr. Chairman?
CHAIRMAN FUNDERBURG: Yes.
FLETCHER: Mr. Chairman, the motion carries.
CHAIRMAN FUNDERBURG: Thank you. Next up is I would like to ask if there is any other business to come before the Board?
If not, then I would like to request a motion to excuse the absences of the Members that were unable to participate today.
KNOX: So moved.
CHAIRMAN FUNDERBURG: Is there a second?
FUENTES: Second.
CHAIRMAN FUNDERBURG: All in favor?
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?
(No response.)
CHAIRMAN FUNDERBURG: That carries. Any public comment at this point? No? Okay, thank you all for coming. We truly appreciate it. I would like to

ask for a motion to adjourn.
McCOY: So moved.
KNOX: Second.
CHAIRMAN FUNDERBURG: All in favor, please say aye.
(A chorus of ayes.)
CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Alright, thank you.

(WHICH WERE ALL THE PROCEEDINGS HAD at 11:02 a.m.)

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

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

____
PAMELA A. MARZULLO

License No. 084-001624

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE
ADOPTED

July 14, 2016

11 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	E	Tessler
Y	Fuentes	Y	McCoy	E	Yonover
NV	Goetz (VIA AUDIO CONFERENCE)	Y	Obernagel	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JULY 14, 2016 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

July 14, 2016

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AD15
RESOLUTION FOR ELECTION OF A VICE CHAIR OF THE ILLINOIS FINANCE AUTHORITY
ADOPTED

July 14, 2016

11 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
A	Bronner	Y	Knox	E	Tessler
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	Obernagel	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
MAY 24, 2016 MINUTES OF THE SPECIAL MEETING OF THE MEMBERS AND
JUNE 9, 2016 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

July 14, 2016

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

July 14, 2016

12 YEAS | 0 NAYS | 0 PRESENT

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

E – Denotes Excused Absence

NO. 1A

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AG1A
BEGINNING FARMER REVENUE BOND – TRACY G. HEUERMAN
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 1B

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AG1B
BEGINNING FARMER REVENUE BOND – MICHELLE MELLENDORF
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 1C

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AG1C
BEGINNING FARMER REVENUE BOND – BRENT MCCLURE
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 02

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-NP02
501(C)(3) REVENUE BOND – THE ART INSTITUTE OF CHICAGO
FINAL (ONE-TIME CONSIDERATION)
PASSED

July 14, 2016

11 YEAS 0 NAYS 0 PRESENT

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

E – Denotes Excused Absence

NO. 03

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-NP03
501(C)(3) REVENUE BOND – MOUNT CARMEL HIGH SCHOOL
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 04

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-NP04
501(C)(3) REVENUE BOND – THE NEWMAN FOUNDATION AT THE UNIVERSITY OF ILLINOIS
FINAL (ONE-TIME CONSIDERATION)
PASSED*

July 14, 2016

12 YEAS 0 NAYS 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 05

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-HC05
501(C)(3) REVENUE BOND – PRESENCE HEALTH NETWORK
FINAL
PASSED

July 14, 2016

11 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	E	Tessler
Y	Fuentes	Y	McCoy	E	Yonover
NV	Goetz	Y	Obernagel	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

NO. 06

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-HC06
501(C)(3) REVENUE BOND – RIVERSIDE MEDICAL CENTER, RIVERSIDE SENIOR LIVING CENTER AND OAKSIDE CORPORATION
FINAL
PASSED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-HC07
501(C)(3) REVENUE BOND – WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY D/B/A SMITH VILLAGE
FINAL
PASSED*

July 14, 2016

12 YEAS 0 NAYS 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-HC08
501(C)(3) REVENUE BOND – OSF HEALTHCARE SYSTEM
FINAL (ONE-TIME CONSIDERATION)
PASSED

July 14, 2016

11 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	E	Tessler
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	Obernagel	Y	Zeller
Y	Horne	E	O'Brien	NV	Mr. Chairman

E – Denotes Excused Absence

NO. 09

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-HC09
501(C)(3) REVENUE BOND – THE MOORINGS OF ARLINGTON HEIGHTS, LLC
PRELIMINARY
PASSED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AD10
RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO AMENDED AND RESTATED BOND AND LOAN AGREEMENT AND RELATED DOCUMENTS, WHICH AMENDS CERTAIN PROVISIONS OF THAT CERTAIN AMENDED AND RESTATED BOND AND LOAN AGREEMENT DATED AS OF JUNE 1, 2011 UNDER WHICH THE INDUSTRIAL DEVELOPMENT REVENUE BONDS (MAAC MACHINERY CO., INC. PROJECT), SERIES 2006 ISSUED BY THE ILLINOIS FINANCE AUTHORITY (THE "BONDS") WERE AMENDED AND SOLD TO JPMORGAN CHASE BANK, N.A.
ADOPTED*

July 14, 2016

12 YEAS | 0 NAYS | 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AD11
RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE ILLINOIS FINANCE AUTHORITY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST RELATING TO THE RECOVERY ZONE FACILITY REVENUE BONDS (NAVISTAR INTERNATIONAL CORPORATION PROJECT) SERIES 2010, ALONG WITH RELATED DOCUMENTS
ADOPTED*

July 14, 2016

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 12

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AD12
RESOLUTION APPROVING AND CONFIRMING VARIOUS CONTRACTS (INCLUDING CONTRACT EXTENSIONS AND AMENDMENTS) AND ENGAGEMENTS RELATING TO PROCUREMENTS FOR PROFESSIONAL SERVICES FOR THE STATE OF ILLINOIS CLEAN WATER INITIATIVE STATE REVOLVING FUND (“SRF”) AND THE REGULAR BUSINESS OF THE AUTHORITY, INCLUDING FINANCIAL ADVISORY SERVICES (SRF AND REGULAR BUSINESS OF THE AUTHORITY), UNDERWRITERS (SRF), BOND AND ISSUER’S COUNSEL (SRF) AND INSURANCE SERVICES (REGULAR BUSINESS OF THE AUTHORITY, INCLUDING SRF)
ADOPTED

July 14, 2016

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	E	Tessler
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	Obernagel	Y	Zeller
NV	Horne	E	O’Brien	NV	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AD13
RESOLUTION CONFIRMING AN INTERAGENCY AGREEMENT WITH THE ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY REGARDING LEASE OF OFFICE SPACE IN SPRINGFIELD
ADOPTED*

July 14, 2016

12 YEAS　　0 NAYS　　0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

NO. 14

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0714-AD14
RESOLUTION ADOPTING THE FISCAL YEAR 2017 ILLINOIS FINANCE AUTHORITY BUDGET
ADOPTED*

July 14, 2016

12 YEAS | 0 NAYS | 0 PRESENT

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

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

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FINANCIAL ANALYSIS

August 11, 2016

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL REPORTS MONTHLY AND ANNUAL SUMMARY AS OF JUNE 30, 2016*

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

FISCAL YEAR 2016-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. **Total Unaudited Annual Revenues** equal $5.3 million and are $368 thousand or 7% higher than budget.

ALL REVENUES	$ AMOUNT	DRIVERS/RESULTS
Operating Revenues:		
Closing Fees	3,707,376	$399K or 12% > Budget
Interest Income-Loans	922,248	Down $148K from 2015; Early payoff, declining revenues
Other Fees and Revenues	538,088	Application, Annual, Admin and other fees
Non-Operating Revenues:		
Net Interest and Investment Income	195,900	Down just $4K from 2015
Net Bad Debt Adjustments	(24,502)	Uncollectible Receivables as of 6/30/16
Total	**$ 5,339,110**	
Overall Budget Comparison:		
Fiscal Year 2016 Budget	$ 4,971,178	
Fiscal Year 2016 Budget Variance	$ 367,932	**7% Over Budget**

b. **Total Unaudited Annual Expenses** of $4.4 million, which is $573 thousand or 12% lower than budget.

ALL EXPENSES	$ AMOUNT	DRIVERS/RESULTS
Operating Expenses:		
Employee Related Expense	$ 1,798,679	23% < Budget; Only 1 of 8 Vacancies filled
Professional Services	1,896,302	6% > Budget; Higher legal and financial advisory services on behalf of State of Illinois; Full year of temp staffing costs
Occupancy Costs	244,745	2% < Budget; Full year for Chicago Office in Michael Bilandic Bldg
General & Administrative	397,540	Flat with 2015
Depreciation and Amortization	47,775	75% < Budget due to delay and cancellation of debt mgmt software implementation
Total	**$ 4,385,041**	
Overall Budget Comparison:		
Fiscal Year 2016 Budget	$ 4,958,181	
Fiscal Year 2016 Budget Variance	$ (573,140)	**12% Under Budget**

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF JUNE 30, 2016 CONT'D*

c. **Total Unaudited Annual Net Income** is **$954 thousand**. The major drivers of the annual positive bottom line in fiscal year 2016 were the level of overall spending at 12% below budget, as well as higher closing fees and other fees as compared to fiscal year 2015.

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Statement of Net Position (Balance Sheet) represents results as of June 30, 2016. As of this date, the Authority is a $125 million dollar agency which also currently accounts for $271 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for $25 billion in outstanding debt.

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

In the General Fund, the Authority 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 $25.2 million (with $8.5 million in liquidated securities to purchase State of Illinois receivables). Notes receivables from the former IRBB local governments total $17.2 million. Participation, DACA and other loans/government receivables are at $3.7 million. Restricted cash and investments in the DACA Loan Fund-Programs FY15 and FY16 total $1.9 million. Funds in the amount of $1.3 million were allocated in the Local Government Borrowing Fund for the City of Blue Island. Liabilities (current and non-current) total just $826 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 (CWI) bonds for IEPA. Total assets and liabilities in this fund each total $145.8 million.

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of $434 thousand, with the funds earning an additional $43 thousand in net investment income. In FY16, 28 new Fire Truck revolving loans were issued totaling $7.5 million. Additional loans are pending the Authority's final administrative review. In conjunction with the Office of the State Fire Marshal, 13 new Ambulance loans totaling $1.7 million will be tentatively disbursed in August 2016. Net position of $22.6 million for Fire Truck and $4.2 million for Ambulance, are reported on the Authority's balance sheet.

c. In accordance with the Master Loan Agreement for the Authority's Illinois Housing Partnership Fund, the Authority has formally invoiced the City of the Chicago for the remaining $3,000,000 payment, which was due on or before August 1, 2016. Both parties have agreed to extend the due date of the remaining payment until winter of 2017.

FISCAL YEAR 2017-UNAUDITED

Financial information for July and August 2016 will be presented at the September 2016 board meeting.

July 2016 Closings/Admin Fees

a. In **July**, the Authority generated $172 thousand in closing fees. Closing fees were received from: ***Illinois Wesleyan University*** for $112 thousand; ***Lindran/Better Housing*** for $56 thousand; and ***Agriculture-relating closings*** for $4 thousand. The Authority also collected an administrative service fee of $150 thousand on behalf of the 1985 Pool/Revolving Fund.

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF JUNE 30, 2016 CONT'D*

5. AUTHORITY AUDITS AND REGULATORY UPDATES

a. Upcoming Governmental Accounting Standards Board (GASB) accounting and financial reporting issues critical to the Authority's financial presentation in FY2016/FY2017 include changes in investment reporting, fiduciary activities, leases, grants, nonexchange transaction compliance and indirectly, new guidance on tax abatements for local governments. The Financial Accounting Standards Board (FASB) has also (in response to GASB's initiative), submitted a proposal for all private sector entities to also disclose assistance received from governmental entities.

b. The Authority is in the preliminary/planning stage of its FY2016 Financial Audit and testing is ongoing.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

a. The Schedule of Debt, State of Illinois Receivables Summary and other documents are being presented as supplementary financial information, immediately following the financial reports in your Board package.

ILLINOIS FINANCE AUTHORITY
YEAR OVER YEAR COMPARISON OF REVENUES AND EXPENSES
FISCAL YEAR 2015 VS. FISCAL YEAR 2016
AS OF AUGUST 4, 2016

	2015	2016	2015 VS 2016	2015	2016	2015 VS 2016	2016	2016
	YEAR TO DATE ACTUAL	YEAR TO DATE ACTUAL	ACTUAL VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE BUDGET	BUDGET VARIANCE	BUDGET TO ACTUAL VARIANCE ($)	BUDGET TO ACTUAL VARIANCE (%)
Operating Revenues:								
Closing Fees	$ 2,330,601	$ 3,707,376	$ 1,376,776	$ 2,487,000	$ 3,307,945	$ (156,399)	$ 399,431	12.1%
Annual Fees	365,391	341,544	(23,847)	337,500	357,702	27,891	(16,158)	-4.5%
Administrative Service Fees	136,000	114,429	(21,571)	115,000	15,000	21,000	99,429	662.9%
Application Fees	44,778	54,350	9,572	41,005	30,900	3,773	23,450	75.9%
Miscellaneous Fees	19,792	20,266	474	60,000	5,500	(40,208)	14,766	268.5%
Interest Income-Loans	1,070,688	922,248	(148,439)	1,159,831	1,023,931	(89,143)	(101,683)	-9.9%
Other Revenue	126,581	7,499	(119,082)	4,800	44,000	121,781	(36,501)	-83.0%
Total Operating Revenue:	**$ 4,093,831**	**$ 5,167,712**	**$ 1,073,883**	**$ 4,205,136**	**$ 4,784,978**	**$ (111,305)**	**$ 382,734**	
Operating Expenses:								
Employee Related Expense	$ 1,702,215	$ 1,798,679	$ 96,464	$ 2,171,075	$ 2,335,229	$ (468,860)	$ (536,550)	-23.0%
Professional Services	1,503,161	1,896,302	393,142	1,504,980	1,788,077	(1,819)	108,225	6.1%
Occupancy Costs	271,431	244,745	(26,687)	291,648	250,415	(20,217)	(5,670)	-2.3%
General & Administrative	381,828	397,540	15,711	334,300	396,377	47,528	1,163	0.3%
Depreciation and Amortization	52,854	47,775	(5,079)	80,000	188,083	(27,146)	(140,308)	-74.6%
Total Operating Expense	**$ 3,911,489**	**$ 4,385,041**	**$ 473,551**	**$ 4,382,003**	**$ 4,958,181**	**$ (470,514)**	**$ (573,140)**	-11.6%
Operating Income(Loss)	**$ 182,342**	**$ 782,671**	**$ 600,331**	**$ (176,867)**	**$ (173,203)**	**$ 359,209**	**$ 955,874**	-551.9%
Nonoperating Revenue(Expenses):								
Bad Debt Recoveries	$ 10,537	$ 15,634	$ 5,097	$ 15,000	$ 10,000	$ (4,463)	$ 5,634	56.3%
Bad Debt Adjustment/(Expense)	(65,658)	(40,136)	25,522	-	-	(65,658)	(40,136)	
Interest and Investment Income	336,322	257,260	(79,061)	500,600	326,200	(164,278)	(68,940)	-21.1%
Realized Gain (Loss) on Sale of Investment	(8,496)	6,033	14,529	(50,000)	(13,000)	41,504	19,033	-146.4%
Net Appreciation (Depr) in fair value of Inves	(127,445)	(67,393)	60,053	(250,000)	(137,000)	122,555	69,607	-50.8%
Total Nonoperating Revenues (Expenses)	**$ 145,260**	**$ 171,398**	**$ 26,140**	**$ 215,600**	**$ 186,200**	**$ (70,340)**	**$ (14,802)**	-7.9%
Net Income (Loss) Before Transfers	**$ 327,602**	**$ 954,069**	**$ 626,471**	**$ 38,733**	**$ 12,997**	**$ 288,869**	**$ 941,072**	7240.7%
Transfers:								
Transfers in from other funds	$ 2,556,996	$ 6,402,109	$ 3,845,113	$ -	$ -	$ -	$ -	
Transfers out to other funds	(2,263,041)	(6,402,091)	(4,139,050)	-	-	-	-	
Total Transfers In (Out)	**$ 293,955**	**$ 18**	**$ (293,937)**	**$ -**	**$ -**	**$ -**	**$ -**	
Net Income (Loss)	**$ 621,557**	**$ 954,087**	**$ 332,534**	**$ 38,733**	**$ 12,997**	**$ 288,869**	**$ 941,072**	7240.7%

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2016 AS OF JUNE 30, 2016
(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	$ 163,066	$ 114,611	$ 227,594	$ 155,443	$ 84,991	$ 448,515	$ 324,200	$ 479,450	$ 3,707,377	$ 3,307,945	$ 399,432	12.1%
Annual Fees	16,990	11,752	14,204	76,691	-	40,004	34,357	10,152	14,089	71,141	23,351	28,943	341,674	357,702	(16,028)	-4.5%
Administrative Service Fees	-	15,000	10,000	-	-	43,429	25,000	-	-	-	20,500	500	114,429	15,000	99,429	662.9%
Application Fees	3,000	4,800	6,100	11,100	4,900	2,400	1,200	4,200	1,500	3,750	6,100	5,300	54,350	30,900	23,450	75.9%
Miscellaneous Fees	139	1,213	-	341	-	-	94	-	24	-	-	18,462	20,273	5,500	14,773	268.6%
Interest Income-Loans	83,318	82,857	82,675	82,712	82,661	84,109	81,346	62,392	70,355	70,298	69,817	69,707	922,247	1,023,931	(101,684)	-9.9%
Other Revenue	-	973	169	207	206	207	200	4,748	198	198	197	196	7,499	44,000	(36,501)	-83.0%
Total Operating Revenue:	**$280,954**	**$ 408,675**	**$ 905,178**	**$ 618,941**	**$ 250,833**	**$ 284,760**	**$ 369,791**	**$ 236,935**	**$ 171,157**	**$ 593,902**	**$ 444,165**	**$ 602,558**	**$ 5,167,849**	**$ 4,784,978**	**$ 382,871**	**8.0%**
Operating Expenses:																
Employee Related Expense	$141,053	$ 142,455	$ 148,939	$ 148,049	$ 140,690	$ 140,655	$ 159,303	$ 156,660	$ 157,852	$ 154,182	$ 145,556	$ 163,285	$ 1,798,679	$ 2,335,229	$ (536,550)	-23.0%
Professional Services	106,155	59,247	135,606	191,582	161,386	202,640	111,720	89,371	227,276	105,421	151,061	354,838	1,896,303	1,788,077	108,226	6.1%
Occupancy Costs	19,832	23,793	11,217	42,809	13,219	15,474	14,647	17,006	25,543	14,664	14,606	31,934	244,744	250,415	(5,671)	-2.3%
General & Administrative	29,890	28,028	30,407	27,060	35,013	35,370	36,173	57,653	28,268	27,953	28,169	33,693	397,677	396,377	1,300	0.3%
Depreciation and Amortization	6,078	6,120	6,120	3,942	3,942	3,942	3,942	3,942	2,892	2,481	2,209	2,166	47,776	188,083	(140,307)	-74.6%
Total Operating Expense	**$303,008**	**$ 259,643**	**$ 332,289**	**$ 413,442**	**$ 354,250**	**$ 398,081**	**$ 325,785**	**$ 324,632**	**$ 441,831**	**$ 304,701**	**$ 341,601**	**$ 585,916**	**$ 4,385,179**	**$ 4,958,181**	**$ (573,002)**	**-11.6%**
Operating Income(Loss)	**$ (22,054)**	**$ 149,032**	**$ 572,889**	**$ 205,499**	**$ (103,417)**	**$ (113,321)**	**$ 44,006**	**$ (87,697)**	**$ (270,674)**	**$ 289,201**	**$ 102,564**	**$ 16,642**	**$ 782,670**	**$ (173,203)**	**$ 955,873**	**551.9%**
Nonoperating Revenues (Expenses):																
Miscellaneous Non-Opertg Rev/(Exp)	$ -	$ -	$ -	$ -	$ (610)	$ -	$ -	$ -	$ -	$ -	$ -	$ 610	$ -	$ (500)	$ 500	-100.0%
Bad Debt Recoveries/Adjustments	-	-	-	-	-	-	-	-	-	-	-	15,634	15,634	10,000	5,634	56.3%
Bad Debt (Expense)	-	-	-	-	-	-	-	-	-	-	-	(40,136)	(40,136)	-	(40,136)	#DIV/0!
Interest and Investment Income*	25,941	26,361	26,202	21,742	27,014	20,166	16,590	23,642	18,976	13,377	19,582	17,668	257,261	326,200	(68,939)	-21.1%
Realized Gain (Loss) on Sale of Invests	(473)	(1,332)	(442)	(502)	(9,686)	(9)	14,798	(51)	3,237	(57)	(248)	799	6,034	(13,000)	19,034	-146.4%
Net Appreciation (Depr) in FV of Invests	(12,645)	(26,167)	32,129	(35,752)	(58,174)	(32,358)	56,645	(4,113)	10,081	(5,872)	(18,592)	27,426	(67,392)	(137,000)	69,608	-50.8%
Total Nonoperating Rev (Exp)	**$ 12,823**	**$ (1,138)**	**$ 57,889**	**$ (14,512)**	**$ (41,456)**	**$ (12,201)**	**$ 88,033**	**$ 19,478**	**$ 32,294**	**$ 7,448**	**$ 742**	**$ 22,001**	**$ 171,401**	**$ 185,700**	**$ (14,299)**	**-7.7%**
Net Income (Loss) Before Transfers	**$ (9,231)**	**$ 147,894**	**$ 630,778**	**$ 190,987**	**$ (144,873)**	**$ (125,522)**	**$ 132,039**	**$ (68,219)**	**$ (238,380)**	**$ 296,649**	**$ 103,306**	**$ 38,643**	**$ 954,071**	**$ 12,497**	**$ 941,574**	**7534.4%**
Transfers:																
Transfers in from other funds	$ -	$ -	$ -	$ -	$ 251,683	$ 2,076,383	$ 72,226	$ 124,479	$ 3,389,347	$ 153,087	$ 151,827	$ 108,076	$ 6,402,109	$ -	$ -	0.0%
Transfers out to other funds	-	-	-	-	(251,665)	(2,076,383)	(72,226)	(124,479)	(3,389,347)	(153,087)	(151,827)	(108,076)	(6,402,091)	-	-	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ 18**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 18**	**$ -**	**$ -**	**0.0%**
Net Income (Loss)	**$ (9,231)**	**$ 147,894**	**$ 630,778**	**$ 190,987**	**$ (144,855)**	**$ (125,522)**	**$ 132,039**	**$ (68,219)**	**$ (238,380)**	**$ 296,649**	**$ 103,306**	**$ 38,643**	**$ 954,089**	**$ 12,497**	**$ 941,592**	**7534.5%**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
FOR FISCAL YEAR 2016 AS OF JUNE 30, 2016
(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	$ 3,707,377	$ -	$ -	$ -	$ 3,707,377	$ -	$ 3,707,377	$ -
Annual Fees	341,674	-	-	-	341,674	-	341,674	-
Administrative Service Fees	114,429	-	-	-	114,429	-	114,429	-
Application Fees	54,350	-	-	-	54,350	-	54,350	-
Miscellaneous Fees	20,273	425,846	-	213	446,332	-	446,332	-
Interest Income-Loans	922,247	7,735	-	36,521	966,503	3,836,468	4,802,971	-
Other Revenue	7,499	-	-	541	8,040	-	8,040	-
Total Operating Revenue:	**$ 5,167,849**	**$ 433,581**	**$ -**	**$ 37,275**	**$ 5,638,705**	**$ 3,836,468**	**$ 9,475,173**	**$ -**
Operating Expenses:								
Employee Related Expense	$ 1,798,679	$ -	$ -	$ -	$ 1,798,679	$ -	$ 1,798,679	$ -
Professional Services	1,896,303	1,514	1,879	32,564	1,932,260	-	1,932,260	-
Occupancy Costs	244,744	-	-	-	244,744	-	244,744	-
General & Administrative	397,677	-	-	7,089	404,766	-	404,766	-
Interest Expense	-	-	-	3,291	3,291	3,999,345	4,002,636	-
Depreciation and Amortization	47,776	-	-	-	47,776	-	47,776	-
Total Operating Expense	**$ 4,385,179**	**$ 1,514**	**$ 1,879**	**$ 42,944**	**$ 4,431,516**	**$ 3,999,345**	**$ 8,430,861**	**$ -**
Operating Income(Loss)	**$ 782,670**	**$ 432,067**	**$ (1,879)**	**$ (5,669)**	**$ 1,207,189**	**$ (162,877)**	**$ 1,044,312**	**$ -**
Nonoperating Revenues (Expenses):								
Miscellaneous non-opertg rev/(exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bad Debt Recoveries/Adjustments	15,634	-	-	1,313	16,947	-	16,947	-
Bad Debt (Expense)	(40,136)	-	-	-	(40,136)	-	(40,136)	-
Interest and invesment income*	257,261	30,910	25,481	248,878	562,530	162,877	725,407	25
Realized Gain (Loss) on sale of investment*	6,034	1,496	1,160	(1,367)	7,323	-	7,323	-
Net Appreciation (Depr) in fair value of investments*	(67,392)	(3,541)	(12,210)	(27,689)	(110,832)	-	(110,832)	-
Total Nonoperating Revenues (Expenses)	**$ 171,401**	**$ 28,865**	**$ 14,431**	**$ 221,135**	**$ 435,832**	**$ 162,877**	**$ 598,709**	**$ 25**
Net Income (Loss) Before Transfers	**$ 954,071**	**$ 460,932**	**$ 12,552**	**$ 215,466**	**$ 1,643,021**	**$ -**	**$ 1,643,021**	**$ 25**
Transfers:								
Transfers in from other funds	$ 6,402,109	$ -	$ -	$ -	$ 6,402,109	$ -	$ 6,402,109	$ -
Transfers out to other funds	(6,402,091)	-	-	(18)	(6,402,109)	-	(6,402,109)	-
Total Transfers In (Out)	**$ 18**	**$ -**	**$ -**	**$ (18)**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**$ 954,089**	**$ 460,932**	**$ 12,552**	**$ 215,448**	**$ 1,643,021**	**$ -**	**$ 1,643,021**	**$ 25**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
June 30, 2016
(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	$ 8,547,963	$ -	$ -	$ 35,079	$ 8,583,042	$ -	$ 8,583,042	$ -
Deposits in transit	55,930	-	-	-	55,930	-	55,930	-
Investments	10,305,420	-	-	879,323	11,184,743	-	11,184,743	-
Accounts receivable, Net	4,967,542	-	-	-	4,967,542	-	4,967,542	-
Loans receivables, Net	2,153,349	-	-	-	2,153,349	-	2,153,349	-
Accrued interest receivable	387,868	-	-	5,121	392,989	-	392,989	-
Bonds and notes receivable	1,722,600	-	-	-	1,722,600	-	1,722,600	-
Due from other funds	25,450	-	-	-	25,450	-	25,450	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-	3,000,000	-
Prepaid Expenses	37,331	-	-	-	37,331	-	37,331	-
Total Current Unrestricted Assets	**$ 28,203,453**	**$ -**	**$ -**	**$ 3,919,523**	**$ 32,122,976**	**$ -**	**$ 32,122,976**	**$ -**
Restricted:								
Cash & Cash Equivalents	$ 1,084,395	$ 1,043,823	$ 3,939,396	$ 2,647,294	$ 8,714,908	$ 75,867,439	$ 84,582,347	$ 18,959
Investments	1,720,728	85,240	35,074	6,290,044	8,131,086	-	8,131,086	-
Securities lending collateral equity with the Treasurer	-	-	-	4,744,000	4,744,000	-	4,744,000	-
Accrued interest receivable	1,399	7,949	49	36,902	46,299	28,798	75,097	-
Bonds and notes receivable from State component units	-	-	-	-	-	243,273	243,273	-
Loans receivables, Net	-	1,816,438	74,320	120,450	2,011,208	-	2,011,208	-
Total Current Restricted Assets	**$ 2,806,522**	**$ 2,953,450**	**$ 4,048,839**	**$ 13,838,690**	**$ 23,647,501**	**$ 76,139,510**	**$ 99,787,011**	**$ 18,959**
Total Current Assets	**$ 31,009,975**	**$ 2,953,450**	**$ 4,048,839**	**$ 17,758,213**	**$ 55,770,477**	**$ 76,139,510**	**$ 131,909,987**	**$ 18,959**
Non-current Assets:								
Unrestricted:								
Investments	$ 6,301,855	$ -	$ -	$ 972,139	$ 7,273,994	$ -	$ 7,273,994	$ -
Loans receivables, net	483,805	-	-	-	483,805	-	483,805	-
Bonds and notes receivable	15,457,337	-	-	-	15,457,337	-	15,457,337	-
Capital assets, net of accumulated depreciation	$ 28,885	$ -	$ -	$ -	$ 28,885	$ -	$ 28,885	$ -
Total Noncurrent Unrestricted Assets	**$ 22,271,882**	**$ -**	**$ -**	**$ 972,139**	**$ 23,244,021**	**$ -**	**$ 23,244,021**	**$ -**
Restricted:								
Cash & Cash Equivalents	$ -	$ -	$ -	$ 600,000	$ 600,000	$ -	$ 600,000	$ -
Investments	50,293	-	-	5,802,333	5,852,626	3,349,693	9,202,319	-
Funds in the custody of the Treasurer	-	164,051	-	17,931,781	18,095,832	-	18,095,832	-
Accrued interest receivable	-	-	-	9,000	9,000	-	9,000	-
Loans receivables, net	1,025,333	19,449,126	172,960	1,260,235	21,907,654	-	21,907,654	-
Bonds and notes receivable from primary government	-	-	-	-	-	34,778,530	34,778,530	-
Bonds and notes receivable from State component units	-	-	-	-	-	30,956,855	30,956,855	-
Total Noncurrent Restricted Assets	**$ 1,075,626**	**$ 19,613,177**	**$ 172,960**	**$ 25,603,349**	**$ 46,465,112**	**$ 69,085,078**	**$ 115,550,190**	**$ -**
Total Noncurrent Assets	**$ 23,347,508**	**$ 19,613,177**	**$ 172,960**	**$ 26,575,488**	**$ 69,709,133**	**$ 69,085,078**	**$ 138,794,211**	**$ -**
Total Assets	**$ 54,357,483**	**$ 22,566,627**	**$ 4,221,799**	**$ 44,333,701**	**$ 125,479,610**	**$ 145,224,588**	**$ 270,704,198**	**$ 18,959**
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	$ -	$ -	$ -	$ -	$ -	$ 577,011	$ 577,011	$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 577,011**	**$ 577,011**	**$ -**
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 54,357,483**	**$ 22,566,627**	**$ 4,221,799**	**$ 44,333,701**	**$ 125,479,610**	**$ 145,801,599**	**$ 271,281,209**	**$ 18,959**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
June 30, 2016
(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	$ 212,926	$ -	$ -	$ 297	$ 213,223	$ -	$ 213,223	$ -
Payables from pending investment purchases	149,584	-	-	30,137	179,721	-	179,721	-
Accrued liabilities	184,046	-	-	-	184,046	-	184,046	-
Due to employees	117,956	-	-	-	117,956	-	117,956	-
Due to primary government	85,001	-	-	-	85,001	-	85,001	-
Other liabilities	-	-	-	-	-	-	-	18,934
Unearned revenue, net of accumulated amortization	76,000	-	-	-	76,000	-	76,000	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 825,513**	**$ -**	**$ -**	**$ 30,434**	**$ 855,947**	**$ -**	**$ 855,947**	**$ 18,934**
Payable from restricted current assets:								
Accounts payable	255	32	55	11,971	12,313	-	12,313	-
Due to other funds	-	-	-	25,450	25,450	-	25,450	-
Obligation under securites lending of the State Treasurer	-	-	-	4,744,000	4,744,000	-	4,744,000	-
Accrued interest payable	-	-	-	1,803	1,803	3,053,675	3,055,478	-
Bonds and notes payable from primary government	-	-	-	-	-	22,883,716	22,883,716	-
Bonds and notes payable from State component units	-	-	-	-	-	1,460,000	1,460,000	-
Current portion of long term debt	-	-	-	60,584	60,584	-	60,584	-
Total Current Liabilities Payable from Restricted Current Assets	**$ 255**	**$ 32**	**$ 55**	**$ 4,843,808**	**$ 4,844,150**	**$ 27,397,391**	**$ 32,241,541**	**$ -**
Total Current Liabilties	**$ 825,768**	**$ 32**	**$ 55**	**$ 4,874,242**	**$ 5,700,097**	**$ 27,397,391**	**$ 33,097,488**	**$ 18,934**
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	$ 585	$ -	$ -	$ -	$ 585	$ -	$ 585	$ -
Assets	**$ 585**	**$ -**	**$ -**	**$ -**	**$ 585**	**$ -**	**$ 585**	**$ -**
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	$ -	$ -	$ -	$ -	$ -	$ 82,716,001	$ 82,716,001	$ -
Bonds and notes payable from State component units	-	-	-	-	-	35,688,207	35,688,207	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512	-	248,512	-
Noncurrent loan reserve	-	-	-	562,675	562,675	-	562,675	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ -**	**$ -**	**$ 811,187**	**$ 811,187**	**$ 118,404,208**	**$ 119,215,395**	**$ -**
Total Noncurrent Liabilities	**$ 585**	**$ -**	**$ -**	**$ 811,187**	**$ 811,772**	**$ 118,404,208**	**$ 119,215,980**	**$ -**
Total Liabilities	**$ 826,353**	**$ 32**	**$ 55**	**$ 5,685,429**	**$ 6,511,869**	**$ 145,801,599**	**$ 152,313,468**	**$ 18,934**
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue	55,930	-	-	-	55,930	-	55,930	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 55,930**	**$ -**	**$ -**	**$ -**	**$ 55,930**	**$ -**	**$ 55,930**	**$ -**
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 882,283**	**$ 32**	**$ 55**	**$ 5,685,429**	**$ 6,567,799**	**$ 145,801,599**	**$ 152,369,398**	**$ 18,934**
Net Position:								
Net Investment in Capital Assets	$ 28,885	$ -	$ -	$ -	$ 28,885	$ -	$ 28,885	$ -
Restricted for Locally Held Agricultural Guarantees	-	-	-	11,762,065	11,762,065	-	11,762,065	-
Restricted for Public Safety Loans	-	22,105,663	4,209,192	-	26,314,855	-	26,314,855	-
Restricted for Agricultural Guarantees and Rural Development Loans	-	-	-	18,976,270	18,976,270	-	18,976,270	-
Restricted for Renewable Energy Development	-	-	-	2,225,833	2,225,833	-	2,225,833	-
Restricted for Credit Enhancement	-	-	-	600,000	600,000	-	600,000	-
Restricted for Low Income Community Investments	-	-	-	24,495	24,495	-	24,495	-
Unrestricted	52,492,226	-	-	4,844,161	57,336,387	-	57,336,387	-
Current Change in Net Position	954,089	460,932	12,552	215,448	1,643,021	-	1,643,021	25
Total Net Position	**$ 53,475,200**	**$ 22,566,595**	**$ 4,221,744**	**$ 38,648,272**	**$ 118,911,811**	**$ -**	**$ 118,911,811**	**$ 25**
Total Liabilities & Net Position	**$ 54,357,483**	**$ 22,566,627**	**$ 4,221,799**	**$ 44,333,701**	**$ 125,479,610**	**$ 145,801,599**	**$ 271,281,209**	**$ 18,959**

ILLINOIS FINANCE AUTHORITY

STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF AUGUST 3, 2016

As of August 3, 2016 the Illinois Finance Authority has purchased the following receivables on behalf of the State of Illinois, pursuant to Resolutions 2015-1112-AD11 and 2016-0211-AD07:

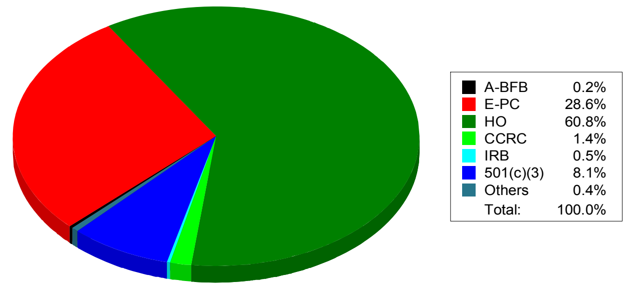
Vendor	Payment dates		Amount
Cosgrove Distributors Inc.	12/21/15	$	9,225.92
Grayboy Building Maintenance	12/16/15	$	15,790.36
M. J. Kellner Co. Inc.	12/28/15	$	1,806,912.20
M. J. Kellner Co. Inc.	3/31/16		1,929,224.10
	Total M.J. Kellner	$	3,736,136.30
Smith Maintenance Company	11/25/15	$	251,665.26
Smith Maintenance Company	12/29/15		125,832.63
Smith Maintenance Company	2/10/16		129,811.11
Smith Maintenance Company	3/21/16		151,826.83
Smith Maintenance Company	4/14/16		151,826.83
Smith Maintenance Company	5/19/16		151,826.83
Smith Maintenance Company	6/23/16		107,795.38
Smith Maintenance Company	7/21/16		107,795.38
	Total Smith Maintenance	$	1,178,380.25
Sysco St. Louis LLC	12/16/15	$	32,418.85
	Total State of Illinois Assigned/Purchased Receivables	**$**	**4,971,951.68**

Bonds Issued - Fiscal Year Comparison
for the Period Ending July 31, 2016

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

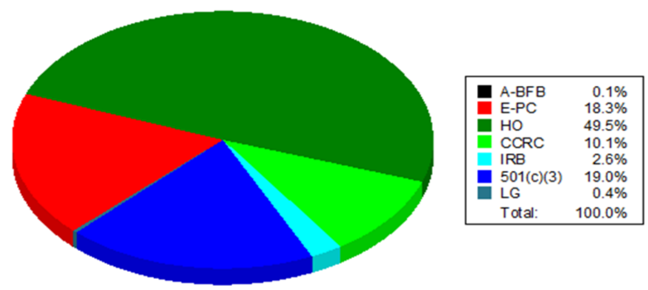
Bonds Issued in Fiscal Year 2015



Fiscal Year 2016

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	3,762,495
10	Education	692,515,000
13	Healthcare - Hospital	1,869,903,000
6	Healthcare - CCRC	381,762,000
1	Industrial Revenue	100,000,000
9	501(c)(3) Not-for-Profit	717,050,000
1	Local Government	14,540,000
54		$3,779,532,495

Bonds Issued in Fiscal Year 2016



Fiscal Year 2017

#	Market Sector	Principal Issued
1	Education	56,775,000
1	501(c)(3) Not-for-Profit	13,560,000
2		$70,335,000

Bonds Issued in Fiscal Year 2017

Bonds Issued and Outstanding as of July 31, 2016

Bonds Issued between July 01, 2016 and July 31, 2016

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
E-PC	Illinois Wesleyan University	07/13/2016	Fixed at Schedule	56,775,000	56,775,000
501(c)(3)	Better Housing Foundation	07/29/2016	Variable	13,560,000	0
		Total Bonds Issued as of July 31, 2016		$ 70,335,000	$ 56,775,000

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

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	
	June 30, 2016	July 31, 2016	Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 52,075,647	$ 52,341,147		
Education	4,498,937,420	4,544,208,969		
Healthcare	15,445,649,941	15,226,974,812		
Industrial Development [includes Recovery Zone/Midwest Disaster]	776,578,781	773,180,158		
Local Government	315,810,000	305,550,000		
Multifamily/Senior Housing	157,016,668	156,928,705		
501(c)(3) Not-for Profits	1,618,506,027	1,623,118,384		
Exempt Facilities Bonds	199,915,000	149,915,000		
1 **Total IFA Principal Outstanding**	**$ 23,064,489,484**	**$ 22,832,217,175**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	77,000,000	77,000,000		
Industrial Development	208,452,809	208,243,080		
Local Government	225,377,285	225,377,285		
Multifamily/Senior Housing	83,679,117	83,639,117		
501(c)(3) Not-for Profits	609,285,369	607,352,499		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	**$ 1,204,290,968**	**$ 1,202,108,369**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 627,152,426**	**$ 625,642,427**		
Illinois Educational Facilities Authority "IEFA"	**$ 570,443,000**	**$ 568,447,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 15,587,111**	**$ 15,587,111**		
Total Illinois Finance Authority Debt	**$ 25,481,962,989**	**$ 25,244,002,082**	**$ 28,150,000,000**	**$ 2,905,997,918**

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

Section I (b)

	Principal Outstanding		Program	
	June 30, 2016	July 31, 2016	Limitations	Remaining Capacity
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	34,885,000	34,885,000		
Total General Moral Obligations	**$ 34,885,000**	**$ 34,885,000**	**$ 150,000,000**	**$ 115,115,000**

* All the Local Government bonds were defeased as of August 1, 2014.

	June 30, 2016	July 31, 2016	Program Limitations	Remaining Capacity
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	99,938,207	89,678,207		
Total State Component Unit Bonds	**$ 99,938,207**	**$ 89,678,207**		

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
	June 30, 2016	July 31, 2016	Volume Cap
Midwestern Disaster Area Bonds [Flood Relief]	**$ 64,515,158**	**$ 64,444,357**	**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 June 30, 2016	Principal Outstanding July 31, 2016	Program Limitations	Remaining Capacity
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 June 30, 2016	Principal Outstanding July 31, 2016	Program Limitations	Remaining Capacity
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 June 30, 2016	Principal Outstanding July 31, 2016	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,050,319*	$ 6,824,437	$ 6,789,829	$ 160,000,000	$ 153,210,171	$ 5,771,354
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,881,462*	$ 7,111,930	$ 6,969,961	$ 225,000,000 [e]	$ 218,030,039	$ 5,924,467
Agri Industry Loan Guarantee Program	$ 3,693,098	$ 3,551,128			3,018,459
Farm Purchase Guarantee Program	886,805	886,805			753,785
Specialized Livestock Guarantee Program	1,681,563	1,681,563			1,429,329
Young Farmer Loan Guarantee Program	850,464	850,464			722,895
Total State Guarantees	$ 13,936,368	$ 13,759,790	$ 385,000,000	$ 371,240,210	$ 11,695,821

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

Section V			Principal Outstanding June 30, 2016	Principal Outstanding July 31, 2016	Cash and Investment Balance
132	Fire Truck Revolving Loan Program	Fund # 572	$ 21,265,564	$ 21,265,564	$ 1,293,113 *
8	Ambulance Revolving Loan Program	Fund # 334	$ 247,280	$ 247,280	$ 3,974,470 *

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 June 30, 2016	Principal Outstanding July 31, 2016	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 15,535,000	$ 14,575,000		
Issued through IDFA	113,710,000	113,710,000		
Total Environmental [Large Business]	$ 129,245,000	$ 128,285,000	$ 2,425,000,000	$ 2,296,715,000
Environmental [Small Business]	$ -	$ -	$ 75,000,000	$ 75,000,000
Total Environment Bonds Issued under Act	$ 129,245,000	$ 128,285,000	$ 2,500,000,000	$ 2,371,715,000

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding June 30, 2016	Principal Outstanding July 31, 2016
Participation Loans			
Business & Industry	23,020,158	422,129	420,468
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	422,129	420,468
Plus: Legacy IDFA Loans in Default		843,173	843,173
Less: Allowance for Doubtful Accounts		960,726	960,726
Total Participation Loans		288,943	302,915
Local Government Direct Loans	1,289,750	103,000	103,000
Rural Bond Bank Local Government Note Receivable *		17,179,937	17,179,937
FmHA Loans	963,250	185,778	185,778
Renewable Energy [RED Fund]	2,000,000	1,206,055	1,197,980
Total Loans Outstanding	34,353,017	18,963,713	18,969,609

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 June 30, 2015	Principal Outstanding July 31, 2016	Statutory Debt Limitation	Remaining HELA Debt Limitation
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
* Balances as of June 30, 2016.
** Conduit balances are unaudited as of June 30, 2016.

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED
Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: August 11, 2016
Re: Monthly Procurement Report

CONTRACTS EXECUTED

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
Illinois Procurement Code-Small Purchases							
Virtual Web Hosting	GoDaddy	1	07/16-06/17	$ 150	$ -	$ -	$ -
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
GASB 72 Implementation and Financial Reporting Services	Kerber, Eck & Braeckel LLP	7 mos	07/16-01/17	17,300	-	-	-

AMENDMENTS EXECUTED

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
Illinois Procurement Code-Competitive Bids/Proposals							
State of Illinois Revolving Fund Program Financing - Underwriting Services	Siebert Brandford Shank & Co.	1	08/16-07/17	$ -	$ -	$ -	$ -
State of Illinois Revolving Fund Program Financing - Underwriting Services	Bank Of America/Merrill Lynch Inc.	1	07/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	J.P. Morgan Securities LLC	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Loop Capital Markets LLC	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Citigroup	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Piper Jaffray & Co.	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Ramirez & Co., Inc.	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Jeffries LLC	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Raymond James	1	08/16-07/17	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Morgan Stanley & Co. LLC	1	08/16-07/17	-	-	-	-

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED
Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: August 11, 2016
Re: Monthly Procurement Report

CONTRACT AWARDS TO BE CANCELLED

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Debt Management Software Application	Technology Partnership Group, Inc.	3	07/16-06/19	$ 552,250	N/A	N/A	N/A

CONTRACTS PENDING EXECUTION

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
Illinois Procurement Code-Sole Source Award (Upon CPO Approval)							
Insurance Brokering Services-Director's/Officers; Property/Casualty	Mesirow Insurance Services, Inc.	1	06/16-06/17	$ 300,000	$ 22,900	$ 22,900	$ 22,900

EXPIRED AND EXPIRING CONTRACTS

Services Provided	Vendor	Previous Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
Illinois Procurement Code-Competitive Bids/Proposals							
State of Illinois Revolving Fund Program Financing - Underwriting Services	Wells Fargo Bank	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services	Barclays	3	08/13-07/16	-	-	-	-
Financing for energy effiency projects	Noresco, LLC	5	11/11-11/16	-	-	-	-
Temporary Finance/Procurement/Compliance Staffing	Accounting Principals, Inc.	6 mos	04/16-10/16	302,724	71,103	71,103	605,448
IT Network Consulting Services	Catalyst Consulting, Inc.	9 mos	03/16-12/16	67,500	30,000	30,000	60,000
Loan Management Services	Mabsco, Inc.	9 mos	03/16-12/16	75,000	25,000	25,000	100,000
Illinois Procurement Code-Small Purchases							
Bloomberg Anywhere License for Remote Access to Services	Bloomberg Finance L.P.	2	12/16-12/18	$ 37,538	$ 42,000	$ 18,769	$ 18,769

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED
Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: August 11, 2016
Re: Monthly Procurement Report

UPCOMING RENEWALS

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Trustee/Custodial Services for State Revolving Fund and the Authority	Amalgamated Bank of Chicago	2	11/16-11/18	$ 32,000	$ 32,000	$ 32,000	$ 16,000
Investment Management Services for the Locally Held funds	Clear Arc Capital, Inc.	2	12/16-12/18	N/A	-	-	33,014

ACTIVE SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Specialty Accounting/Audit Services	TBD	2	08/16-07/18	N/A	$ -	$ -	$ -

UPCOMING SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Temporary Finance/Procurement/Compliance/IT Staffing	Anticipated award Oct 2016	2	11/16-10/18	N/A	$ 302,724	$ 302,724	$ 605,448
IT Network Consulting Services	Anticipated award Nov 2016	3	01/17-12/19	N/A	67,500	30,000	30,000
Typesetting and Printing Services	Anticipated award Nov 2016	3	11/16-10/19	N/A	40,000	40,000	40,000
Employee Benefits and Payroll Services	Anticipated award Apr 2017	5	06/17-05/22	N/A	353,518	353,518	353,518
Insurance Brokering Services	Anticipated award May 2017	3	06/17-06/20	N/A	300,000	300,000	300,000
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Loan Management and Paying Agent/Custodian Services	Anticipated award Oct 2016	3	01/17-12/19	N/A	$ 93,000	$ 93,000	$ 116,250
Financial Deposit Institution/Cash Management	Anticipated award Nov 2016	5	01/17-12/21	N/A	105,000	105,000	105,000

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher and Patrick Evans

Date: August 11, 2016

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $520,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $484,750**
- **Calendar Year Summary:** (as of August 11, 2016)
  - Volume Cap: $10,000,000
  - Volume Cap Committed: $2,427,370
  - Volume Cap Remaining: $7,572,630
  - Average Farm Acreage: 64
  - 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 2016 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:	**30373**
Borrower(s):	**Marrs, Blake & Allyson**
Borrower Benefit:	First Time Land Buyer
Town:	Paris, IL
IFA Bond Amount:	**$401,000.00**
Use of Funds:	Farmland – 45 acres of farmland
Purchase Price:	$422,137 / $9,381 per acre
%Borrower Equity	5%
%IFA	95%
%Other	0%
Township:	Paris
Counties/Regions:	Edgar / Southeastern
Lender/Bond Purchase:	First Bank & Trust / John Brinkerhoff
Legislative Districts:	Congressional: 15 State Senate: 51 State House: 102

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on January 31, 2017. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 31, 2017 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B. Project Number:	**30374**
Borrower(s):	**Dehlinger, Mason A. & Victoria L.**
Borrower Benefit:	First Time Land Buyer
Town:	Olney, IL
IFA Bond Amount:	**$83,750.00**
Use of Funds:	Farmland – 45 acres of farmland
Purchase Price:	$108,000 / $2,400 per acre
%Borrower Equity	0%
% USDA Farm Service Agency	50% *(Subordinate Financing)*
%IFA	50%
Township:	German
Counties/Regions:	Richland / Southeastern
Lender/Bond Purchase:	First Financial Bank / Jeff Wilson
Legislative Districts:	Congressional: 15 State Senate: 55 State House: 109

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

CONDUIT

$125,000,000 (not-to-exceed amount)

August 11, 2016 **DePaul University**

REQUEST	**Purpose**: The proposed financing will enable **DePaul University** (the "**University**" or the "**Borrower**") to issue one or more series of Revenue Refunding Bonds in an aggregate principal amount not-to-exceed $125,000,000 in order to provide all or some of the all or some of the funds necessary to do the following: (i) advance refund all or a portion of the Illinois Finance Authority Revenue Bonds, DePaul University, Series 2011A (the "**Series 2011A Bonds**") and (ii) pay certain costs relating to the issuance of the Series 2016A Bonds and the refunding of the Series 2011A Bonds, if deemed desirable by the University. **Program**: Conduit 501(c)(3) Revenue Refunding Bonds *(Advance Refunding)* **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution *(One-time consideration)* This is the first time this project has been considered by the IFA Board of Directors
MATERIAL CHANGES	None.
JOB DATA	3,743 **Current jobs** N/A **New Jobs** (Refunding Bonds) N/A **Retained jobs** N/A **Construction Jobs** (Refunding Bonds)
DESCRIPTION	● Location: Chicago (Cook County/Northeast Region) ● DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College. ● The proposed Series 2016A Bonds will enable DePaul to advance refund the University's IFA Series 2011A Bonds.
CREDIT INDICATORS	● DePaul is currently rated "A2"/ "A"/"A" long-term by Moody's/S&P/Fitch (assigned in connection with the University's Series 2016 Bonds in March 2016). All three rating agencies also affirmed these ratings (along with Stable outlooks) on all of the University's outstanding debt in March 2016. The University will apply for ratings in connection with this issue and on its outstanding debt and expects to be awarded ratings from all three rating agencies by mid-August (as of 7/29/2016).
PROPOSED STRUCTURE	• The Bonds will be underwritten by Goldman Sachs & Company (Senior Manager) and sold based on the direct, underlying ratings of DePaul University. RBC Capital Markets LLC and Samuel A. Ramirez & Co., Inc. will be Co-Managers. The not-to-exceed maturity in the Bond Resolution provides for a maximum maturity parameter of 40-years (while the anticipated final maturity date will remain 2040 as on the IFA Series 2011A Bonds that would be Advanced Refunded with the IFA Series 2016A Bonds). • Estimated all-in interest costs of between 3.25% to 3.75% based on market conditions based on the anticipated maturity schedule (which will maintain the maturity date on the existing Series 2011A Bonds of 10/1/2040).
SOURCES AND USES (*PRELIMINARY, SUBJECT TO CHANGE)	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		**Uses:**	
IFA Bonds	$115,820,000	Refunding Escrow	$143,321,585
Premium	24,327,050	*Costs of Issuance	1,158,200
Borrower Equity	4,332,735		
Total	**$144,479,785**	**Total**	**$144,479,785**

*Costs of Issuance to be paid with borrower funds (equity)-

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 11, 2016

Project: DePaul University

STATISTICS

Project Number:	12358	Amount:	Not to exceed $125,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

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

PURPOSE

The proposed financing will enable **DePaul University** (the "**University**" or the "**Borrower**") to issue one or more series of Revenue Refunding Bonds in an aggregate principal amount not-to-exceed $125,000,000 in order to provide all or some of the all or some of the funds necessary to do the following: (i) advance refund all or a portion of the Illinois Finance Authority Revenue Bonds, DePaul University, Series 2011A (the "**Series 2011A Bonds**") and (ii) pay certain costs relating to the issuance of the Series 2016A Bonds and the refunding of the Series 2011A Bonds, if deemed desirable by the University.

IFA CONTRIBUTION AND PROGRAM

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

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

SOURCES AND USES OF FUNDS
(Note: the preliminary estimates reported below are subject to change until pricing)

Sources:	IFA Refunding Bonds	$115,820,000	Uses:	Refunding Escrow	$143,321,585
	Premium	24,327,050		*Costs of Issuance	1,158,200
	Equity	4,332,735			
	Total	**$144,479,785**		**Total**	**$144,479,785**

Notes:

All amounts reported above are preliminary estimates that will be subject to change until pricing and will be superseded by amounts reported in the Official Statement when posted.

*The University will contribute its own funds to pay Costs of Issuance on the Series 2016A Bonds.

JOBS

Current employment:	3,743	Projected new jobs:	N/A (Refunding Bonds)
Jobs retained:	N/A	Construction jobs:	N/A (Refunding Bonds)

FINANCING SUMMARY

Security/ Ratings: The Bonds will be sold based on the direct, underlying rating of DePaul University. DePaul long-term debt is currently rated 'A2'/ 'A-'/ 'A' long-term by Moody's/S&P/Fitch as assigned to the University's Series 2016 Bonds and affirmed on the University's existing debt in March 2016. (Each of the rating agencies also assigned a Stable outlook in March 2016.)

DePaul has applied for ratings from Moody's/S&P/Fitch on the Series 2016A Bonds and expects ratings to be awarded in mid-August (currently anticipated during the week of 8/15/2016 as of 7/28/2016).

Structure: The Bonds will be underwritten by Goldman Sachs & Co. (Senior Manager) and sold on the basis of the University's long-term debt ratings.

Interest Rate: Estimated all-in interest rates of between 3.25% and 3.75% based on current market rates and anticipated maturities.

Maturity: Although the Bond Resolution will enable the Series 2016A Bonds to mature in up to 40 years, the financing team presently contemplates (as of 8/1/2016) that the Bonds will maintain the existing 10/1/2040 final maturity date currently on the Series 2011A Bonds (which will be refunded with the Series 2016A Bonds).

Anticipated Closing Date: September 2016

Rationale: This advance refunding will be undertaken to reduce interest expense and reduce payments (although there may be a slight acceleration of principal repayments compared to the Series 2011A Bonds).

BUSINESS SUMMARY

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

The University is governed by a two-tiered governance committee consisting of (1) *the Members of the Corporation*, a self-perpetuating body comprised of 12 individuals (of which at least two-thirds are representatives of the Congregation of the Mission (C.M.), the religious community that sponsors the University), and (2) *the Board of Trustees*.

The Members of the Corporation is to elect trustees to serve on the University's Board of Trustees.

The Board of Trustees oversees the functions of the University, and elects specific officers, including the president, provost, executive vice president, and secretary. The president appoints other officers. Currently, there are 41 Trustees of the University elected to serve staggered 3-year terms (40 to 45 trustees are required under the University's By-Laws). *A list of the University's current Board of Trustees is presented on page 7 of this report.*

Description: The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution serving metropolitan Chicago. As of fall 2015, the University remains the largest Catholic university in the nation and among the nation's largest private universities. In fall 2015, the University posted total enrollment of 23,539 students, including 15,961 undergraduate students and 7,578 graduate and professional students.

The University is comprised of four campuses, including two core campuses in Chicago, and satellite campuses in (1) Chicago (near O'Hare) and (2) Naperville.

DePaul's Lincoln Park and Loop Campuses in Chicago form the core of the University's academic and administrative activities. The Lincoln Park campus is a residential campus located on approximately 45 acres approximately 3 miles north of downtown Chicago. The Lincoln Park campus now consists of more than 47 buildings comprising approximately 3.0 million square feet used for academic instruction, residential housing, student services, and recreational purposes. The Loop Campus, located in the Chicago's downtown business district at the corner of S. State St. and E. Jackson Blvd., consists of 3 interconnected and 2 adjacent buildings of over 1.9 million SF and provides facilities for the College of Law, Graduate Programs, and undergraduate programs, and administrative functions.

The University also owns, and The Theatre School operates, the historic Merle Reskin Theatre located on E. Balbo Drive between S. Michigan Ave. and S. Wabash Ave.

In addition to its owned properties, the University leases 162,124 SF of space in the Loop that houses core administrative functions, and 30,801 SF elsewhere in Chicago for academic and operational functions.

DePaul's two satellite campus locations were established and have expanded to satisfy a growing demand for higher education in suburban Chicago. DePaul's two satellite facilities include: (1) The DePaul O'Hare Campus (near Cumberland Ave. [Illinois Hwy. 171] and the Kennedy Expressway [I-90]) in Chicago, Illinois (occupying 38,942 SF of leased space), and (2) its Naperville Campus (located in a portion of the BP Research Center facility adjacent to the Ronald Reagan East-West Tollway [I-88] and occupying 63,802 SF of leased space).

The University offers 132 undergraduate and over 183 graduate and professional graduate degree programs, including six degree programs offered by the College of Law.

PROJECT SUMMARY (FROM FINAL BOND RESOLUTION)

The Bonds will be issued in an amount not-to-exceed $125,000,000 in one or more series for the purpose of providing DePaul University, an Illinois not-for-profit corporation (the "University"), with all or a portion of the funds necessary to The proposed financing will enable **DePaul University** (the "**University**" or the "**Borrower**") to issue one or more series of Revenue Refunding Bonds in an aggregate principal amount not-to-exceed $125,000,000 in order to provide all or some of the all or some of the funds necessary to do the following: (i) advance refund all or a portion of the Illinois Finance Authority Revenue Bonds, DePaul University, Series 2011A (the "**Series 2011A Bonds**") and (ii) pay certain costs relating to the issuance of the Series 2016A Bonds and the refunding of the Series 2011A Bonds, if deemed desirable by the University.

Proceeds of the Bonds will be used to refinance various individual buildings located on the University's Lincoln Park main campus (the "Lincoln Park Main Campus") have the address commonly known as 2400 N. Sheffield Ave., Chicago, IL 60614. It is anticipated that not more than $87,000,000 of the proceeds of the Bonds will be used, directly or indirectly, to refinance assets located at the University's Lincoln Park Main Campus.

Proceeds of the Bonds will be used to refinance various individual buildings located on the University's Downtown Chicago Campus, in Chicago, Illinois (the "Downtown Campus"), which includes but is not limited to t, the following addresses in Chicago, Illinois: 1 E. Jackson Blvd., 14 E. Jackson Blvd., and 25 E. Jackson Blvd. It is expected that not more than $38,000,000 of the proceeds of the Bonds will be used, directly or indirectly, to refinance assets located at the University's Downtown Campus.

(More specifically, refinanced properties include the following properties: (1) Theatre Building, 2350 N. Racine Ave., Chicago, IL 60614; (2) Arts & Letters Academic Building, 2315 N. Kenmore Ave., Chicago, IL 60614; (3) Richard M. and Maggie C. Dales Building, 14 E. Jackson Blvd., Chicago, IL 60604; (4) DePaul Art Museum, 935 W. Fullerton Ave., Chicago, IL 60614; (5) College of Education, 2247 N. Halsted St., Chicago, IL 60614; (6) Corcoran Hall/Wish Field, 800-910 W. Belden Ave., Chicago, IL 60614; (7) Richards Library, 2350 N. Kenmore Ave., Chicago, IL 60614; (8) DePaul Center, 1 E. Jackson Blvd., Chicago, IL 60604, and (9) Lewis Center, 25 W. Jackson Blvd., Chicago, IL 60604.

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts:	DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; www.depaul.edu (1) Jeffrey J. Bethke, Executive Vice President, Ph.: 312.362.6715; jbethke@depaul.edu (2) Peter Harris, Associate Vice President of Treasury Operations, Ph. 312.362.8456; pharris@depaul.edu (3) Doug Stanford, Manager of Banking, Liquidity, and Capital Resources, Ph.: 312.362.6714; dstanford@depaul.edu
Project name:	DePaul University Series 2016A Revenue Refunding Bonds (*Advance Refunding)*
Locations:	DePaul's Lincoln Park Main Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 and DePaul's Downtown Campus, 55 East Jackson Blvd., Chicago, IL 60604
Organization:	Illinois 501(c)(3) organization
Board Membership:	*For list of Board of Trustees, see page 7.*

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Perkins Coie LLP	Chicago, IL	Daniel Coyne, Christine Biebel
Auditor:	KPMG, LLP	Chicago, IL	Jason Rosheisen
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke, Kristin Walsh
Borrower's Financial Advisor:	William Blair & Company, LLC	Chicago, IL	Ajay Thomas, Mike McIntyre
Senior Manager:	Goldman Sachs & Co.	New York, NY	Ritu Kalra, John Stevenson
Co-Managers:	RBC Capital Markets, LLC	Chicago, IL	Kevin Hoecker
	Samuel A. Ramirez & Co., Inc.	Chicago, IL	Phillip Culpepper
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman, Chad Doobay
Trustee:	BNY Mellon Corporate Trust	Chicago, IL	Kathy Cokic
Architect:	Antunovich Associates	Chicago, IL	Scott Ferguson
General Contractor:	Bulley & Andrews	Chicago, IL	Mark Evans
Rating Agencies:	Moody's Investors Service	New York, NY	Diane Viacava
	Standard & Poor's	Chicago, IL	Nick Waugh
	Fitch Ratings	Chicago, IL	Susan Carlson
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Siamac Afshar

LEGISLATIVE DISTRICTS

	Loop Campus	Lincoln Park Campus
Congressional:	7	5
State Senate:	3	6
State House:	5	11

ILLINOIS FINANCE AUTHORITY

CONDUIT

$70,000,000

August 11, 2016 **The Moorings of Arlington Heights, LLC**

REQUEST	**Purpose**: Bond proceeds, together with other available funds, will be used by **The Moorings of Arlington Heights, LLC** (“**Borrower**”) to: (i) fund the construction of Fellowship Hall, a 27,000 sq. ft. resident commons area, (ii) fund the construction of a 73-unit assisted living expansion, (iii) fund the construction of a 20-unit Memory Care expansion (collectively “the **Project**”), (iv) fund interest on the Bonds for a period of approximately 24 months, and (v) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record (July 14, 2016 – Preliminary Bond Resolution – 12 Yeas; 0 Nays; 0 Abstain; 3 Absent (O’Brien, Tessler, Yonover); 0 Vacancies
MATERIAL CHANGES	Projections for 2017 through 2020
JOB DATA ***(FOR THE MOORINGS ONLY)***	315 Current jobs — 50 New jobs projected N/A Retained jobs — 85 Construction jobs projected (30 months)
DESCRIPTION	● Location: Arlington Heights ● On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the “**Corporation**”) became the sole member directly or indirectly of six subsidiaries, one of which is the Borrower, (collectively with the Corporation, the "**System**"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area. ● Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day.
CREDIT INDICATORS	● The Bonds will be a direct bank purchase by First Midwest Bank and Huntington Bank.
SECURITY	● Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.
MATURITY	● Bonds will mature no later than 2046.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses:**	
2016 IFA Bonds	*$68,380,000	Project Fund	$76,592,262
Foundation Capital Campaign	$3,500,000	Funded Interest (24 Months)	$3,310,012
Borrower Equity	$9,376,933	Costs of Issuance	$1,354,659
Total	**$81,256,933**	**Total**	**$81,256,933**

*Estimated

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2016

Project: The Moorings of Arlington Heights, LLC

STATISTICS

Project Number:	12353	Amount:	$70,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Locations:	Arlington Heights	County/Region:	Cook County/Northeast Region

BOARD ACTION

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

VOTING RECORD

Final Bond Resolution
Voting Record (July 14, 2016 – Preliminary Bond Resolution – 12 Yeas; 0 Nays; 0 Abstain; 3 Absent (O'Brien, Tessler, Yonover); 0 Vacancies

PURPOSE

The proceeds will be used by **The Moorings of Arlington Heights, LLC** ("**Borrower**") to: (i) fund the construction of Fellowship Hall, a 27,000 sq. ft. resident commons area, (ii) fund the construction of a 73-unit assisted living expansion, (iii) fund the construction of a 20-unit Memory Care expansion (collectively "the Project"), (iv) fund interest on the Bonds for a period of approximately 24 months, and (v) 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:**	
2016 IFA Bonds	*$68,380,000	Project Fund	$76,592,262
Foundation Capital Campaign	$3,500,000	Funded Interest (24 Months)	$3,310,012
Borrower Equity	$9,376,933	Costs of Issuance	$1,354,659
Total	**$81,256,933**	**Total**	**$81,256,933**

*Estimated

JOBS *(for The Moorings only)*

Current employment:	315	Projected new jobs:	50
Jobs retained:	N/A	Construction jobs:	85 (30 months)

FINANCING SUMMARY

Credit Enhancement:	None
Structure:	Bank direct purchase with First Midwest Bank and Huntington Bank.
Interest Rate:	To be determined on the day of pricing.
Interest Rate Modes:	Variable rate debt with an interest rate hedge.
Underlying Ratings:	The Borrower is a non-rated entity. The Bonds will be sold in $100,000 denominations.
Maturity:	No later than 2046
Estimated Closing Date:	Third quarter of 2016.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The proceeds will be used by **The Moorings of Arlington Heights, LLC** ("**Borrower**") to: (i) fund the construction of Fellowship Hall, a 27,000 SF resident commons area, (ii) fund the construction of a 73-unit assisted living expansion, (iii) fund the construction of a 20-unit Memory Care expansion (collectively "the **Project**"), (iv) fund interest on the Bonds for a period of approximately 24 months, and (v) pay costs of issuance.

BUSINESS SUMMARY

Background: On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the "**Corporation**") became the sole member directly or indirectly of six subsidiaries (the "**System**"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area. Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day.

The Borrower for this financing is listed below.

The Moorings of Arlington Heights, LLC
The Borrower owns and operates the Project, which is a Life Plan Community located in Arlington Heights, Illinois, a northwest suburb of Chicago, occupies a 45-acre parcel of land at 811 E. Central Rd. just east of Northwest Community Hospital. The Moorings of Arlington Heights consists of independent living, assisted living, memory care and short- and long-term nursing care.

Independent living consists of 273 apartments and villas, ranging in size from 530 square feet to more than 2,000 square feet. Additionally, some villas have full basements, two car garages and patios.

Common area amenities include formal and casual dining rooms, living rooms, a lecture hall, fitness and therapeutic center with exercise equipment, swimming pool and whirlpool, a library, computer and business center, gift shop and beauty salon. Services include flexible dining options, housekeeping and complete maintenance services, transportation as well as planned social and educational activities and programs. The property features two small lakes, winding walking paths, a large community garden and a historic round barn.

Assisted living consists of 42 studio and one-bedroom apartments. Assisted living/sheltered care is licensed by the State of Illinois. Assisted living services and amenities are similar to, but separate from, independent living because proximity to amenities is important to frail assisted living residents.

The balance of the continuum of care includes 60 skilled, Medicare licensed, nursing care beds for those who need skilled nursing care or short-term rehabilitation services, 39 intermediate and memory care beds for those needing less intense nursing care or memory support for cognitive impairments like Alzheimer's disease. Nursing care beds not occupied by contractual residents are marketed to the outside community.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Moorings of Arlington Heights, LLC
811 E. Central Rd.
Arlington Heights, IL 60005

Contact: Todd Swortzel, President & CEO

Website: www.presbyterianhomes.org

Project name: The Moorings of Arlington Heights, LLC, Series 2016

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

State: Illinois

Ownership/2016 Board Members (501(c)(3)):

MEMBERS	YEARS SERVED	PROFESSION
Elected Directors		
Ms. Frances Carroll	**	Health care, Law
Mr. Mark Dennis	**	Business, Not for Profit
Mr. Charles Denison	2	Finance; Investment
Mr. George T. Drost	5	Law
Ms. Monica Heenan	1	Health care Administration
Mr. Gregory W. Hummel	8	Real Estate; Law
Mr. Leland E. Hutchinson, Chair*	17	Law (retired)
Rev. Michael Kirby	**	Religion; Law
Mr. Dennis R. Marx	2	Accounting; Investment
Dr. E. Dennis Murphy	6	Medicine (retired)
Ms. Elizabeth Nichols	2	Data Scientist
Ms. Paula Noble, Secretary*	1	Accounting; Finance; Audit (retired)
Mr. J. Marshall Peck, Treasurer*	8	Real Estate; Finance
Mr. Harlan F. Stanley	6	Real Estate; Development
Mr. Mark F. Toledo	7	Finance; Investment
Ms. Jane Western	2	Investment
Ex-Officio Directors		
Mr. Todd F. Swortzel*	5	President and CEO, Presbyterian Homes

* Members of the Executive Committee

** New members of the Board effective April 1, 2016

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	John Bibby
Auditor:	CliftonLarsonAllen LLP	Oak Brook, IL	Jim Thomas
Borrower's Financial Advisor:			
Placement Agent:	B.C. Ziegler and Company	Chicago, IL	Will Carney
Banks:	First Midwest Bank	Itasca, IL	Mike Taylor
	Huntington Bank	Grand Rapids, MI	Tom Gibbons
Bank Counsel:	Polsinelli PC	Chicago, IL	Lisa Katz
Paying Agent:	Huntington Bank	Grand Rapids, MI	Patrick O'Donnell
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe S. Selden

LEGISLATIVE DISTRICTS

Congressional:	9
State Senate:	27
State House:	53

SERVICE AREA

Arlington Heights, Illinois

ILLINOIS FINANCE AUTHORITY

ILLINOIS Clean Water Initiative

Illinois Environmental Protection Agency

$600,000,000 (Not-to-exceed amount)

August 11, 2016 **State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016**

REQUEST	**Purpose:** Proceeds of the Bonds will be used to (i) fund loans (including certain amounts of the State Match Portion as defined below) made by the Illinois Environmental Protection Agency ("IEPA") to units of local government in the State of Illinois ("State") to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance. **Program**: IFA State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds **Volume Cap:** *None required (all underlying project borrowers will be Illinois units of local government)* **Extraordinary Conditions:** None
BOARD ACTION	Authorizing Resolution (i.e., Final Bond Resolution) *One-time consideration.* The accompanying Authorizing Resolution will also authorize execution of a Second Amendment to Memorandum of Agreement between the IFA and IEPA ("Second Amendment to MOA"). IFA and IEPA entered into the existing Memorandum of Agreement dated as of November 1, 2013 as amended by the First Amendment to Memorandum of Agreement dated as of June 30, 2014 (the "Memorandum of Agreement") to specify IFA and IEPA's respective roles including, but not limited to, originating and managing the loan program (IEPA), reporting on the performance of the State Revolving Fund ("SRF") Program loan portfolio (IEPA) to external parties, issuance of the Bonds (IFA), and specifying collaboration and roles to enable IFA to comply with material event and other required reporting in connection with a Continuing Disclosure Undertaking ("CDU"). The Second Amendment further clarifies certain of these roles and responsibilities.
MATERIAL CHANGES	None. This is the first time this matter has been presented to the IFA Board of Directors. No prior voting record.
DESCRIPTION	● **Project Locations:** Statewide ● Pursuant to the Federal Clean Water Act, IEPA established a clean water state revolving fund as part of its Water Pollution Control Loan Program (the "Clean Water Program") and, pursuant to the Federal Drinking Water Act, has established a safe drinking water state revolving fund as part of its Public Water Supply Loan Program (the "Drinking Water Program"). ● IFA is issuing the State of Illinois Revolving Fund Revenue Bonds, Series 2016 (the "Bonds") on behalf of the IEPA (See Proposed Structure below). ● The Bonds will be structured to enable IEPA to leverage existing SRF Program assets, thereby enabling additional loan financing to Illinois local governmental units (e.g., municipalities and public sanitary districts) to finance capital improvements designed to improve both wastewater and drinking water quality to assure compliance with USEPA requirements. ● A portion of the proceeds from the Bonds will be used to fund the State match required to obtain United States Environmental Protection Agency ("USEPA") grants (the "State Match Portion"). Based on the proposed $45.38 million of Bond proceeds anticipated to fund the State Match Portion, the USEPA will initially provide $131.79 million in anticipated aggregate funding ("Federal Receipts") with an additional $95.2 million to be received within the next 24 months. As a result, the combined funds initially totaling $177.2 million will be available to be loaned by IEPA immediately to various local government capital projects throughout Illinois, designed to improve drinking water and wastewater quality (and, prospectively, other projects authorized by the USEPA). ● IEPA currently lends funds to municipalities according to administrative rules that set the fixed interest rate at a rate equal to 50% of the *The Bond Buyer's* 20-Bond General Obligation Index for the preceding State fiscal year and federal fiscal year for the Clean Water and Drinking Water Programs, respectively. The current rates are 1.75% for the Clean Water and 1.86% for the Drinking Water Programs.
CREDIT INDICATORS	● The Bonds are expected to be rated 'AAA' by both Standard and Poor's and Fitch Ratings. In general, payments from the pledged loans will be used to credit enhance the Bonds (to potentially service debt payments associated with the Bonds). ● The IDFA Series 2002, IFA Series 2004 and IFA Series 2013 State Revolving Fund Bonds (the "Prior Bonds") were rated 'AAA' by the applicable rating agencies.
PROPOSED STRUCTURE	● The Bonds to be issued are the second series of bonds issued under and secured by a Master Trust Agreement dated as of November 1, 2013 (collectively, with all supplements and amendments thereto, including a Second Supplemental Master Trust Agreement providing for the issuance of the Bonds, the "Master Trust Agreement"). The Bonds will be secured on a parity basis with the currently outstanding $87.415 million aggregate principal amount of Series 2013 Bonds, which refunded the IDFA 2002 State Revolving Fund Bonds and IFA 2004 State Revolving Fund Bonds. ● Bonds to be sold and rated as a structured financing, secured solely on the basis of the pledged loans (or assigned loans) by IEPA under the Master Trust Agreement. The Bonds will not be a direct, indirect, moral or contingent obligation of IFA, IEPA or the State. ●**Bond Interest Rates:** The Bonds will be priced based upon market conditions and the SRF Program's anticipated 'AAA' ratings. ●**Maturity:** Not to exceed 30 years (i.e. July 1, 2046)
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 11, 2016

STATISTICS

IFA Project:	12361	Amount:	$600,000,000 (not-to-exceed amount)
Type:	State Revolving Fund Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Statewide	County/ Region:	All counties in Illinois

BOARD ACTION

Authorizing Resolution (Final Bond Resolution)

Bond proceeds will leverage the existing Illinois Environmental Protection Agency ("IEPA") loan portfolio and be used by IEPA to fund loans under its Clean Water and Drinking Water Revolving Loan Programs, including the State Match Portion that will enable IEPA to receive Federal Receipts from the USEPA.

No extraordinary conditions

Notes: The current outstanding principal amount of the Illinois Finance Authority Series 2013 Bonds is $87.415 million.

The combined bond funded State Match Portion of approximately $45.38 million for the Clean Water Program for Federal fiscal years 2016 and 2017 and Drinking Water Program for Federal fiscal years 2015, 2015 and 2017 will result in Federal Receipts from the USEPA under separate Capitalization Grant Agreements (the "Capitalization Agreements) in the initial anticipated aggregate amount of $131.79 million.

An additional $95.2 million in Federal Receipts will be received within the next 24 months. The combined State Match Portion and associated Federal Receipts will be deposited in IEPA accounts and enable IEPA to fund new loans under its Clean Water and Drinking Water Loan Programs.

FINANCING SUMMARY – IFA SERIES 2016 BONDS

Structure: Bonds to be underwritten by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Bank of America Merrill Lynch Securities") and Citigroup, each as Co-Senior Managers.

Jeffries, Loop Capital Markets, Piper Jaffray, Ramirez & Co. Inc., and Siebert Brandford Shank & Co. LLC have been engaged as Co-Managers.

The Bonds will be sold by the Co-Senior Managers and Co-Managers based on the expected 'AAA'/'AAA' (S&P/Fitch) ratings resulting from the program security described below.

Bondholder Security: The Bonds will be secured by the following (subject to exceptions that will be detailed in the Official Statement for the Series 2016 State Revolving Fund Revenue Bonds):

1. All Local Obligations and Pledged Agreements (i.e., IEPA loans to local governments) which may be, from time to time assigned by IEPA to the Master (Bond) Trustee or held by the Master Trustee under the terms of the Master Trust Agreement.
2. All moneys, securities and earnings thereon in all funds, sub-funds, accounts and sub-accounts established under the Master Trust Agreement and any Supplemental Master Trust Agreement.
    - Exceptions: moneys deposited in the Rebate Fund and moneys deposited with or paid to the Master Trustee for the redemption of Bonds and any other exceptions specified in the Master Trust Agreement.
3. Any and all other moneys and securities furnished from time to time to the Master Trustee under terms of the Master Trust Agreement.

The Bonds and the interest thereon do not constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or a loan of credit of the Authority, IEPA, the State, or any political subdivision thereof, within the purview of any constitutional limitation or provision. Only revenues (i.e., from IEPA local government loans) pledged pursuant to the Master Trust Agreement may be used to pay principal and interest on the Bonds.

Credit Ratings: The anticipated long-term credit rating on the subject Bonds is 'AAA'/'AAA' (S&P/Fitch) based on discussions with the financing team.

Estimated Interest Rate: Fixed interest rate to be determined based on market conditions at pricing based on the anticipated 'AAA'/'AAA' (S&P/Fitch) ratings.

Amortization: Serial and Term Bonds with various maturities.

Final Maturity Date: Not to exceed 30 years (i.e. July 1, 2046)

Anticipated Closing Date: September 2016

COMMENTS ON TERMS OF IEPA'S LOANS TO LOCAL GOVERNMENT BORROWERS (ORIGINATED FROM IFA SERIES 2016 BOND PROCEEDS):

Origination Requirements of IFA Series SRF 2016 Bond Proceeds under federal law (due to undesignated pool structure):

The IFA State Revolving Fund Revenues Bonds are being issued to enable IEPA to originate loans to (an undesignated) pool of local government borrowers (i.e., as a "pooled financing").

As a pooled financing, the Series 2016 Bonds will be subject to the federal Tax Increase Prevention and Reconciliation Act ("TIPRA") of 2005, which imposes additional requirements and conditions in order for the interest on the Series 2016 Bonds to be and to remain exempt from federal income taxation.

TIPRA specifies that unless certain minimum percentages of the Bond proceeds are originated (i.e., by IEPA) as loans for eligible projects within certain prescribed time periods (i.e., there are minimum origination requirements after years 1 and 3 detailed below), the IFA Series 2016 Bonds would be subject to mandatory redemption.

In particular, TIPRA requires:

1. The issuer (i.e., IFA based on reliance on a loan demand assessment provided by the IEPA) reasonably expects (a) within the one-year period beginning on the date of issue that at least 30 percent of the net proceeds of the issue will be originated as loans by IEPA, and (b) within the three-year period beginning on the date of issue, that at least 95% of the net proceeds will be originated as loans by IEPA.
2. The issuer (i.e., IFA) shall redeem outstanding bonds to the extent required if the spend-down requirements under TIPRA are not attained.

IEPA Deeply Subsidizes the Interest Rate to Underlying Borrowers to Minimize Risk of Redemption due to a violation of TIPRA:

IEPA subsidizes the interest rate provided to each underlying borrower to an amount equal to 50% of *The Bond Buyer*'s 20-Bond General Obligation Index for the preceding State fiscal year and federal fiscal year for the Clean Water and Drinking Water Programs, respectively. The current rates are 1.75% for the Clean Water Program and 1.86% for the Drinking Water Program. IEPA's procedures for determining this subsidized rate (which is reset annually are established pursuant to administrative rules (i.e., Title 35 Part 65 for the Clean Water Program and Title 35 Part 662 for the Drinking Water Program). Prior to TIPRA, the IDFA Series 2002, IFA Series 2004 and IFA Series 2013 State Revolving Fund Revenue Bonds were subject to existing IRS spend-down requirements given the undesignated pooled financing structure. Significantly, the drawdown of both Prior Bond issues would have satisfied the TIPRA origination requirements now in effect.

The deep, below-market interest rate offered by IEPA under the SRF Programs:

- helps drive SRF Program demand, thereby helping assure compliance with the applicable TIPRA spend-down requirements for the bond proceeds (as noted in the preceding section), and
- has been sufficient to induce several investment grade local government borrowers to participate in the SRF Programs (examples include: Chicago, DeKalb, Evanston, Hanover Park, Libertyville, Mattoon, Skokie, Springfield, St. Charles, Sterling, and Wilmette).

PROJECT DESCRIPTION –
SUMMARY OF PLAN OF FINANCE AND AUTHORIZING RESOLUTION

The proceeds of the Bonds shall be used to (i) fund loans made by IEPA to units of local government to finance eligible (a) wastewater treatment and sanitary sewerage facilities and (b) drinking water facilities pursuant to the funding of the State Match Portion for Federal fiscal years 2015, 2016, and 2017 and (ii) pay for costs associated with the issuance of the Bonds.

The Authorizing Resolution will also authorize the execution of (i) the Second Amendment to the MOA between the Authority and IEPA dated November 1, 2013 as amended by the First Amendment to the MOA dated June 30, 2014 and related transaction documents including, (i) the Second Supplemental Master Trust Agreement, (ii) the Bond Purchase Agreement, (iv) the Preliminary Official Statement, (v) the Continuing Disclosure Undertaking, and (vi) the Bonds.

A portion of the Bond proceeds used to fund new loans shall be further apportioned as (i) a State Match Clean Water Portion; and (ii) a State Match Drinking Water Portion.

The State Match Portion of the Bond proceeds along with other available funds will meet the State match requirement of approximately $45.38 million for (i) the Clean Water Program for Federal fiscal years 2016 and 2017 and (ii) the Drinking Water Program for Federal fiscal years 2015, 2016 and 2017, which will enable Federal Receipts to be received for the Clean Water Program and Drinking Water Program under Capitalization Grant Agreements (the "Capitalization Agreements") in the initial anticipated aggregate amount of $131.79 million. An additional $95.2 million in Federal Receipts will be received within the next 24 months.

This Summary of the Plan of Finance is summarized and preliminary. The final, comprehensive version of the Plan of Finance will be contained in the Official Statement for the Bonds when posted.

BACKGROUND INFORMATION ON IEPA'S STATE REVOLVING FUND ("SRF") PROGRAMS

Federal Statutory Framework:

1. *For Clean Water (i.e., sewage and wastewater treatment):* The federal Clean Water Act provides for the establishment of state revolving fund programs, the funds of which are to be used to provide financial assistance to various entities in connection with the construction of systems for the storage, treatment, recycling, and reclamation of sewage and certain other qualified water pollution control projects.

2. *For Safe Drinking Water (i.e., drinking water supply):* The federal Safe Drinking Water Act Amendments of 1996 amended existing Safe Drinking Water Act requirements to provide for the establishment of state revolving fund loan programs, the funds of which are used to provide financial assistance to various community water systems in connection with the construction of qualified drinking water projects.

Each state created a separate state revolving loan fund to receive federal capitalization grants and receipts (from USEPA), and for each, states are required to provide state matching funds equal to at least twenty percent (20%) of each federal (USEPA) capitalization grant or receipt under the Clean Water Act and Drinking Water Act.

IEPA entered into separate Capitalization Grants Agreements with the USEPA to administer the Clean Water State Revolving Fund ("CWSRF") and Drinking Water State Revolving Fund ("DWSRF").

The federal Clean Water Act and Drinking Water Act currently authorize the federal government (through USEPA) to continue to provide annual capitalization funding (subject to the minimum required state matching requirement) for both Clean Water State Revolving Funds ("CWSRF") and Drinking Water State Revolving Funds ("DWSRF").

Although USEPA annual capitalization grant funding for both state revolving fund programs have a long history (since 1988 for Clean Water projects and 1996 for Drinking Water projects), there can be no assurance that these programs will continue to be funded at current levels.

USEPA has Encouraged States to Undertake Bond Issues to Leverage Existing Grant Funded Assets:

Since the late 1990's, the USEPA has encouraged states to further leverage existing CWSRF and DWSRF program assets by using existing cash flows from each state's respective loan portfolios (and principal and interest payments thereon, to the extent permitted by USEPA) to securitize bond issues, the proceeds of which would be used by the states (e.g., through state-level EPA's) to originate additional loans to local governments under the SRF Program.

These leveraged bond issues enable state-level EPAs to increase loan volume dedicated to Clean Water and Drinking Water projects, thereby enabling funding beyond levels funded directly by USEPA through its annual capitalization funding (and required State Matching Funds) for the Clean Water and Drinking Water Programs.

Consistent with this policy objective, the Illinois EPA successfully completed Leveraged State Revolving Bond issues through the Illinois Development Finance Authority in 2002 ($150.0 million) and through IFA in 2004 ($130.0 million) and in 2013 ($141.7 million), (collectively, the "Prior Bonds"). Proceeds of the Prior Bonds enabled IEPA to originate additional loans (by pledging payments from a portion of its existing loan portfolio to secure payments on the Prior Bonds).

IEPA's Management of the Clean Water & Drinking Water SRF Programs:

Pursuant to authority granted in the federal Clean Water Act, the State (through the IEPA) created the Clean Water Program in 1988 to implement the provisions of Title VI of the Clean Water Act. Similarly, the State created the Drinking Water Program in 1996 to implement the Safe Drinking Water Act Amendments of 1996.

Under both the Clean Water and Drinking Water Programs, IEPA has utilized both federal capitalization receipts and the required twenty percent (20%) state match for the purpose of making low interest loans for Clean Water and Drinking Water projects to units of local government to finance the construction of wastewater treatment and sanitary sewerage facility projects (CWSRF Projects) and drinking water supply projects (DWSRF Projects), respectively.

IEPA annually prepares an Intended Use Plan to USEPA, which is presented in public hearings. These Intended Use Plans identify projects eligible for assistance under the Clean Water Program (i.e., wastewater treatment projects) and the Drinking Water Program (i.e., drinking water projects).

IEPA SRF Programs – Loan Originations to Date:

IEPA has closed and funded 827 Clean Water Program Loans to Clean Water participants totaling approximately $4.269 billion since inception in 1988 to June 30, 2016, of which approximately $2.397 billion are outstanding. No payment defaults have occurred with respect to any of the Clean Water State Revolving Fund Loans.

IEPA has closed and funded 536 Drinking Water Program Loans to Drinking Water participants totaling approximately $1.174 billion since inception in 1996, of which approximately $755 million are outstanding. No payment defaults have occurred with respect to any of the Drinking Water Program State Revolving Fund Loans.

IEPA is Responsible for Originating, Reviewing Applications, Closing, Servicing, and Reporting on all Loans:

IEPA is responsible for the overall technical and financial management of the SRF Programs, including ongoing financial reporting on the underlying Loan Program Portfolios to the USEPA and other external parties, review and approval of planning documents, plans and specifications, legal authority, dedicated sources of revenue, fund management, and disbursement requests.

Memorandum of Agreement between IEPA and IFA:

The accompanying Authorizing Resolution will also authorize execution of a Second Amendment to Memorandum of Agreement between the IFA and IEPA ("Second Amendment to MOA"). IFA and IEPA entered into the existing Memorandum of Agreement dated as of November 1, 2013 as amended by the First Amendment to Memorandum of Agreement dated as of June 30, 2014 (the "Memorandum of Agreement") to specify IFA and IEPA's respective roles including, but not limited to, originating and managing the loan program (IEPA), reporting on the performance of the SRF loan portfolio (IEPA) to external parties, issuance of the Bonds (IFA), and specifying collaboration and roles to enable IFA to comply with material event and other required reporting in connection with a Continuing Disclosure Undertaking ("CDU"). The Second Amendment further clarifies certain of these roles and responsibilities.

Pursuant to the MOA and Master Trust Agreement, IEPA will continue to administer, structure, and monitor the SRF Programs. IEPA will have primary responsibility for filing financial reports as required by USEPA, and for providing external financial reports on its loan portfolio as required by the underlying bond documents and to help ensure prompt and comprehensive reporting to assure compliance with continuing disclosure requirements on the Bonds and for maintenance of ratings on the Bonds. IEPA's responsibilities will include (but not be limited to) promptly notifying the Authority to request any changes in pledged loans, promptly notifying the Authority regarding any underlying Borrower that exceeds the 20% loan concentration threshold requiring EMMA filings under the Continuing Disclosure Undertaking, advising IFA regarding the origination of loans from Bond Proceeds relating to TIPRA spend-down requirements, and for any other consent or notice specified under the Master Trust Agreement, or any related documents necessary to comply with regulatory requirements in effect.

Effective with execution of the MOA, the Authority assumed certain responsibilities (including, for example, procurement of certain professionals and advisors and continuing disclosure on the Bonds based on reports and filings provided by IEPA) and other information required under the Continuing Disclosure Undertaking.

The Authority, as Issuer, will continue to undertake such actions as necessary to facilitate issuance of Bonds on behalf of IEPA as with issuance of the Prior Bonds.

ECONOMIC DISCLOSURE STATEMENT

Initial Beneficiary of Bond Proceeds – IEPA's SRF Programs:	Illinois Environmental Protection Agency, 1021 North Grand Avenue East, P.O. Box 19276, Springfield, IL 62794-9276; Phone: (217) 782-3397
Web site for IEPA's Bureau Of Water and Loan Programs:	Illinois EPA: www.epa.state.il.us IEPA Bureau of Water – Clean Water Initiative: www.epa.state.il.us/water/financial-assistance/clean-water-initiative/index.html.com
Project name:	IFA State Revolving Fund Revenue Bonds, Series 2016
Underlying Borrowers/ Locations:	IEPA will use the Bond proceeds (i.e., associated with the 2017 State Match) to originate new loans to finance local government clean water and drinking water systems located statewide.

PROFESSIONAL & FINANCIAL

Illinois EPA:	Alec Messina, Director	Springfield, IL	
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Lew Greenbaum Renee Friedman
Financial Advisors (for SRF Revenue Bond Program):	Acacia Financial Group, Inc.	Chicago, IL New York, NY	Phoebe Selden Noreen White
	Sycamore Advisors, LLC	Chicago, IL Indianapolis, IN	Melanie Shaker Diana Hamilton
Book-running Co-Senior Manager:	Bank of America Merrill Lynch Securities	New York, NY Chicago, IL	Thomas Liu Eric Rockhold Phil Rooney
Co-Senior Manager:	Citigroup	Chicago, IL Chicago, IL	Samantha Costanzo Robert Mellinger
Co-Managers:	Jefferies Loop Capital Markets Piper Jaffray Ramirez & Co., Inc. Siebert Brandford Shank & Co., LLC	Boston, MA Chicago, IL Chicago, IL Chicago, IL Chicago, IL	Guy K. Nagahama Clarence Bourne Neil A. Pritz Phil Culpepper Karen Walker
Co-Underwriter's Counsel:	Chapman and Cutler LLP Pugh, Jones & Johnson, P.C.	Chicago, IL Chicago, IL	William Corbin Rich Tomei Stephen Pugh Glenn Weinstein
Trustee/Fiscal Agent:	Amalgamated Bank of Chicago	Chicago, IL	
Rating Agencies:	Standard & Poor's Fitch Ratings	Chicago, IL Chicago, IL	
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal Victoria Pool

LEGISLATIVE DISTRICTS

Available to local governments for wastewater treatment and drinking water projects statewide.

DISCLAIMER:

All information provided in this report is preliminary based on information available as of 8/4/2016 and subject to change.

All information regarding the proposed IFA Series 2016 State of Illinois Clean Water Initiative Revenue Bonds as contained herein will be superseded by information posted in the Preliminary Official Statement and Final Official Statement, respectively, immediately upon dissemination.

RESOLUTION 2016 _____

RESOLUTION AUTHORIZING THE ISSUANCE OF AN AMOUNT NOT TO EXCEED $600,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF STATE OF ILLINOIS CLEAN WATER INITIATIVE REVOLVING FUND REVENUE BONDS, SERIES 2016, OF THE ILLINOIS FINANCE AUTHORITY; AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; 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*., (the "*Act*"), is authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance, among other things, the costs of "public purpose projects," as defined in the Act, "industrial projects," as defined in the Act, and to finance the costs of "environmental facilities," as referenced in the Act; and

WHEREAS, the Water Quality Act of 1987, 33 U.S.C., Section 1381 *et seq*., as supplemented and amended (the "*Federal Clean Water Act*"), and the Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq*., as supplemented and amended (the "*Federal Drinking Water Act*"), authorize the Administrator of the United States Environmental Protection Agency (the "*EPA*") to make capitalization grants to states for deposit in state revolving funds to provide assistance for constructing publicly owned wastewater treatment facilities and publicly and privately owned drinking water treatment facilities and for certain other eligible purposes; and

WHEREAS, pursuant to Title IV of the Environmental Protection Act, 415 ILCS 5/19.1 *et seq*., as supplemented and amended, there has been established a "Water Pollution Control Loan Program," and a "Public Water Supply Loan Program" (collectively, the "*SRF Program*"); and

WHEREAS, pursuant to the Federal Clean Water Act, the Illinois Environmental Protection Agency ("*IEPA*") has established a clean water state revolving fund in the State as part of its Water Pollution Control Loan Program (the "*Clean Water Program*") and, pursuant to the Federal Drinking Water Act, has established a safe drinking water state revolving fund in the State as part of its Public Water Supply Loan Program (the "*Drinking Water Program*"); and

WHEREAS, the Departments of Veteran Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, Public Act 105-65, as supplemented and amended, authorizes each state to cross-collateralize the assets of such state revolving funds established under the Federal Clean Water Act and the Federal Drinking Water Act as security for bond issues to enhance the lending capacity of one or both state revolving funds; and

WHEREAS, IEPA has made loans from the revolving funds as part of the Clean Water Program and as part of the Drinking Water Program, which loans are currently outstanding (collectively, the "*Loans*"); and

WHEREAS, the Authority has heretofore issued its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013 (the "*Series 2013 Bonds*") in the aggregate principal amount of $141,700,000, of which $87,415,000 in aggregate principal amount is outstanding under the Master Trust Agreement dated as of November 1, 2013, as supplemented by the First Supplemental Master Trust Agreement dated as of November 1, 2013 (the "*Master Trust Agreement*"), between the Authority and Amalgamated Bank of Chicago, as Master Trustee (the "*Master Trustee*"); and

WHEREAS, the Authority desires to provide funds to be used for loans for the SRF Program, including the funding of a portion of the State Match required under the Clean Water Program for Federal fiscal years 2016 and 2017 and the Drinking Water Program for Federal fiscal years 2015, 2016 and 2017 (the "*Project*"); and

WHEREAS, the Authority has determined that it is necessary and desirable to issue its revenue bonds to finance the Project which constitutes a "public purpose project" under the Act in connection with the SRF Program, and to pay costs of issuance; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to provide for the financing of the Project by the sale and issuance of its revenue bonds, and by authorizing such actions as might be required to implement such stated intention; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to issue and sell its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016, (or such other series designations as the officers of the Authority executing the Authority Documents (as defined below) shall provide) in an aggregate principal amount not to exceed $600,000,000 (the "*Bonds*") in order to finance the Project, such Bonds to be secured by the Master Trust Agreement on a parity with the Series 2013 Bonds; and

WHEREAS, it may be necessary, desirable and in the best interests of the Authority to issue the Bonds in one or more series and to allow each series of the Bonds to be sold at public or private sale; and

WHEREAS, a portion of the Loans have heretofore been assigned by the IEPA to the Authority pursuant to an Assignment of Loans dated as of December 5, 2013 (the "*Initial Pledged Agreements*") to provide security for the payment of the Series 2013 Bonds; and

WHEREAS, additional Loans (the "*Additional Pledged Agreements*" and with the Initial Pledged Agreements, the "*Pledged Agreements*") are anticipated to be assigned from the IEPA to the Authority in connection with the issuance of the Bonds; and

WHEREAS, the Bonds shall be payable solely from the Pledged Agreements and all moneys, securities and earnings in all funds and accounts established under the Master Trust Agreement, except as set forth in the Master Trust Agreement; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of one or more supplements to the Master Trust Agreement (the "*Supplements*"), between the Authority and the Master Trustee in connection with the issuance of each series of Bonds; and

WHEREAS, the Authority and the IEPA entered into that certain Memorandum of Agreement dated as of November 1, 2013 as amended by the First Amendment to Memorandum of Agreement dated as of June 30, 2014, between the Authority and the IEPA (the "*Memorandum of Agreement*") describing the duties and obligations of such entities in connection with the Clean Water Program and Drinking Water Program; and

WHEREAS, the Chairperson, the Vice Chairperson or the Executive Director of the Authority may determine that it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Second Amendment to Memorandum of Agreement between the Authority and the IEPA (the "*Second Amendment to MOA*"); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of one or more Bond Purchase Agreements (the "*Purchase Contracts*") with respect to the sale of and delivery of each series of the Bonds, by and among the Authority, the IEPA and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "*Representative*"), on behalf of itself and, with respect to the public sale of the Bonds, those other underwriters set forth on the cover of the hereinafter defined Preliminary Official Statement (collectively, the "*Underwriters*"); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of one or more Tax Exemption Certificates and Agreements dated the date of issuance of each series of the Bonds, by and among the Authority, the IEPA and the Master Trustee (the "*Tax Exemption Agreement*"); and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to approve the distribution of a Preliminary Official Statement (the "*Preliminary Official Statement*") and an official statement (the "*Official Statement*") in connection with the issuance of the public sale of the Bonds and a Private Offering Memorandum (the "*POM*") in connection with a private sale of the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interest of the Authority to authorize the execution and delivery of one or more Continuing Disclosure Undertakings dated the date of issuance of each series of Bonds, by the Authority (the "*Undertakings*") in order to meet its continuing disclosure obligations to the Underwriters under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934; and

WHEREAS, the Authority has caused to be prepared and presented to its Members forms of the following documents which the Members of the Authority propose to approve the terms of or enter into:

(i) a Supplement,

(ii) a Purchase Contract,

(iii) a Preliminary Official Statement,

(iv) a Second Amendment to MOA

(v) an Undertaking, and

(vi) the Bonds;

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

That the Authority hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct, and does incorporate them into this Resolution by this reference; that the Project constitutes a "public purpose project" under the Act; and that the financing of the Project through the issuance of the Bonds will accomplish valid public purposes as set forth and in accordance with the Act.

That the Authority is hereby authorized to enter into the Supplements, the Second Amendment to MOA and the Undertakings (the "*Authority Documents*") in substantially the same forms now before the Authority; that the forms, terms and provisions of the Authority Documents be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Documents (as applicable) in the name, for and on behalf of the Authority, and thereupon to cause the Authority Documents to be executed, acknowledged and delivered in substantially the forms now before the Authority or with such changes therein as the individual executing each Authority Document on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of Authority Documents now before the Members of the Authority; that when the Authority Documents are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Authority Documents shall be binding on the Authority; that from and after the execution and delivery of the Authority Documents, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Documents as executed; and a copy of the Authority Documents shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

That the form of the Bonds now before the Authority, be, and the same hereby is approved; that the Bonds may be issued as separate series pursuant to separate Supplements; that each series of the Bonds may be sold at either public or private sale; that each series of the Bonds may be given such series designations deemed necessary and appropriate by the offices of the Authority executing the Authority Documents; that the Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and attested with the manual or facsimile signature of its Secretary or Assistant Secretary and the seal of the Authority or a facsimile thereof shall be affixed, impressed, imprinted or otherwise reproduced thereon and any officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Master Trustee for authentication; and that when the Bonds shall be executed on behalf of the Authority in the manner contemplated by the Master Trust Agreement and related Supplements and this Resolution, they shall represent the approved forms of Bonds of the Authority; *provide*d that the Bonds shall mature in such amount or amounts payable on such date or dates not later than July 1, 2046, and shall bear interest at such rate or rates not to exceed seven percent (7%) per annum, and produce an arbitrage yield of not to exceed seven percent (7%) per annum, payable on such date or dates as provided in the related Supplements, and subject to redemption as provided in the Master Trust Agreement and related Supplement; *provided further*, that the Authority deems it proper to delegate to the Chairperson, the Vice Chairperson or the Executive Director of the Authority, as the case may be, the power to approve any and all changes to any Supplement, any Purchase Contract, the Second Amendment to MOA, the Bonds, the Preliminary Official Statement, the Official Statement and any POM as he or she shall, on behalf of the Authority, determine, subject to the preceding proviso.

That one or more sales by series of the Bonds in an aggregate principal amount not to exceed $600,000,000 to the Underwriters (or in the case of a private sale of Bonds, to the Representative), at a purchase price of not less than 98% of the aggregate principal amount thereof being sold (exclusive of original issue discount and premium) and accrued interest, if any, to the date of delivery, is hereby approved and confirmed; that the Authority is hereby authorized to enter into one or more Purchase Contracts in substantially the same form as presented to the Members of the Authority; that the form, terms and provisions of the Purchase Contracts be, and they hereby are, in all respects approved; that the Chairperson, the Vice Chairperson or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Purchase Contracts, such Purchase Contracts to provide for the issuance and sale of a series of Bonds of the Authority in the aggregate principal amount not exceeding that maximum principal amount set forth above, in substantially the same form as presented to the Members of the Authority or with such changes therein as the individual executing such Purchase Contract on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of Purchase Contract before the Members of the Authority; that when a Purchase Contract is executed and delivered on behalf of the Authority as hereinabove provided, such Purchase Contract shall be binding upon the Authority; that from and after the execution and delivery of the Purchase Contracts, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contracts as executed; and a copy of each Purchase Contract shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

That the distribution of a Preliminary Official Statement and an Official Statement by the Underwriters with respect to each series of Bonds is hereby approved, such Preliminary Official Statement and Official Statement to be in substantially the same form as the Preliminary Official Statement now before the Authority, or with such changes thereto as shall be approved by the Chairperson, the Vice Chairperson or the Executive Director of the Authority. That the Chairperson, the Vice Chairperson or the Executive Director are, and each of them hereby is, authorized to execute the Official Statements.

That the use of a POM is hereby approved in connection with any sale of Bonds at a private or direct sale, such POM to be in a similar form as the Preliminary Official Statement now before the Authority, or with such changes thereto as shall be approved by the Chairperson, the Vice Chairperson or the Executive Director of the Authority. That the Chairperson or Executive Director are, and each of them hereby is, authorized to execute the POM.

That the Chairperson, the Vice Chairperson, the Executive Director, the Treasurer, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such other documents, certificates, and undertakings of the Authority, including, without limitation, a Tax Exemption Agreement with respect to each series of Bonds, and to take such other actions as may be required in connection with the execution, delivery and performance of the Master Trust Agreement, the Supplements, the Undertakings, the Purchase Contracts and the Second Amendment to MOA and the distribution of the Preliminary Official Statements, the Official Statements and any POM, authorized by this Resolution.

That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

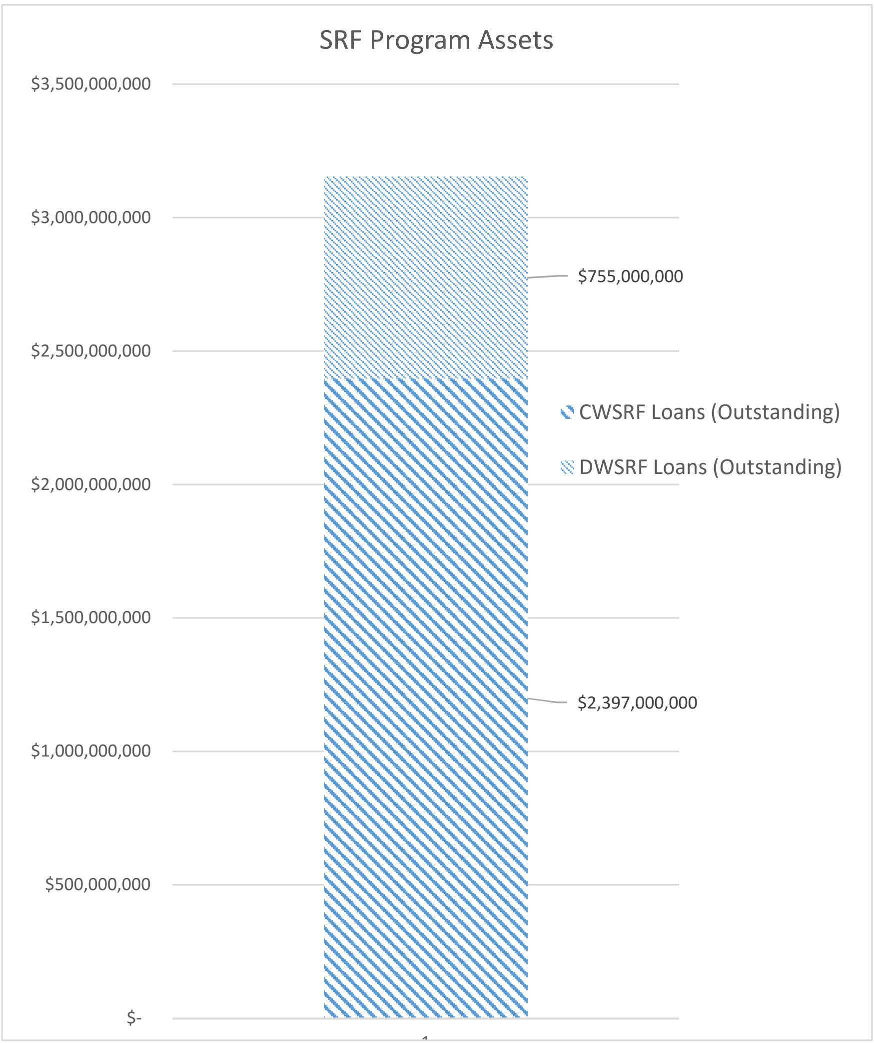
That the provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

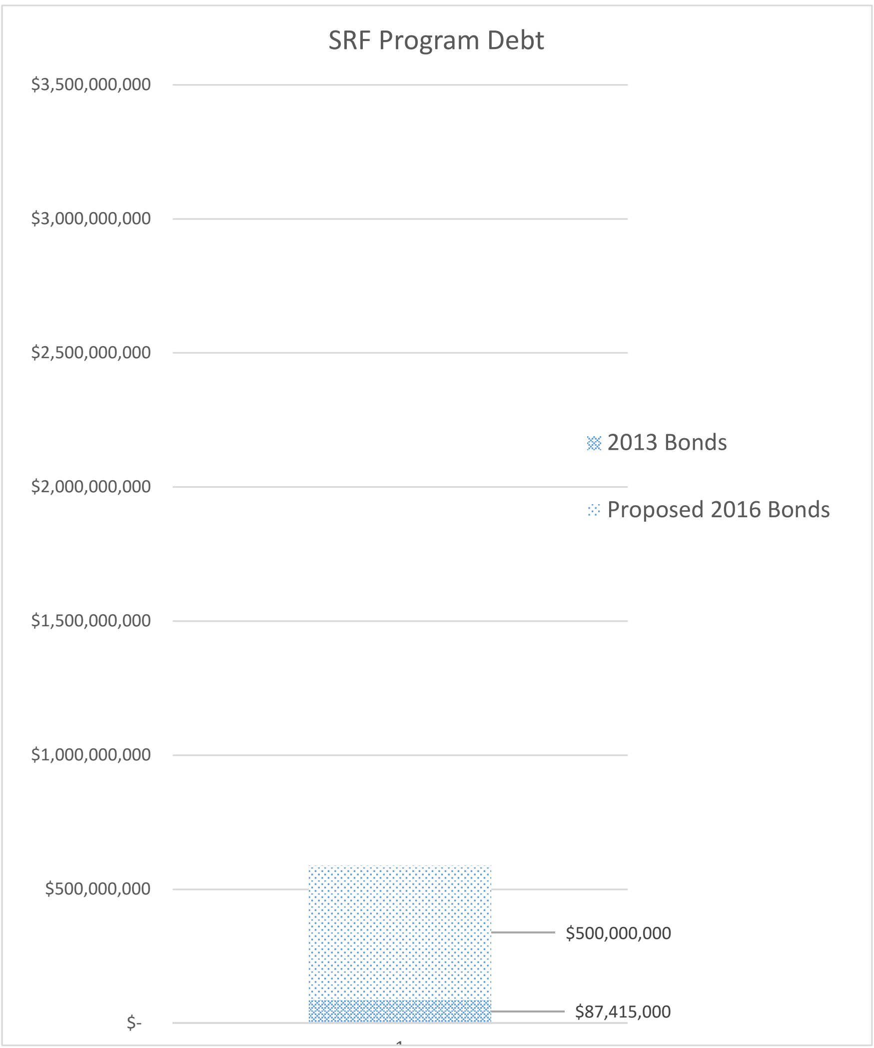
That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

Illinois Finance Authority

Illustration of SRF Program Assets vs. Debt





Note: Program Assets includes existing CW & DW Loans. Does not include new loans to be funded from proposed 2016 Bonds.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Patrick Evans

Date: August 11, 2016

Re: Resolution to Consent to Deferral of Scheduled Payment and Waiver of Event of Default in connection with IFA Agri-Debt Restructuring Guarantee Loan on behalf of Mark D. Donoho and Karen Donoho, each individually
IFA 2009 File Number: A-DR-GT-8239

Background on the Subject Loan:

The **Illinois Finance Authority** ("**IFA**" or the "**Authority**") closed on an IFA Agri-Debt Restructuring Guarantee Loan on June 11, 2009 in favor of **Peoples National Bank, N.A.** (Mt. Vernon, Illinois) (the "**Bank**") which enabled **Mark Donoho and Karen Donoho** (collectively, the "**Borrowers**") to refinance $487,000 of combined existing real estate debt and equipment debt (the "**IFA Guaranteed Loan**").

The original loan balance was $487,000 and has been paid down to $425,472 (current outstanding balance as of June 11, 2016).

The Authority's 85% guarantee exposure was $413,950 at the time of closing and has been reduced to approximately $361,651 (current outstanding balance as of June 11, 2016).

Background on the Agri-Debt Restructuring Guarantee Program:

Under the Agri-Debt Restructuring Program, the Bank absorbs the initial 15% of any loss (while the Authority absorbs the remaining credit loss).

Payments on the IFA Guarantees are made from the Illinois Agricultural Loan Guarantee Fund, held by the State Treasurer.

Under the IFA Agri-Debt Restructuring Guarantee, in the event of default by a borrower, (1) the lender (bank) ***shall*** be entitled to, and (2) the Authority ***shall*** direct payment on, the State Guarantee after 90 days of delinquency.

After payment on the State Guarantee, the lender has 14 months to sell the collateral securing the IFA Guaranteed Loan.

Bank and Borrower's Request:

On July 14, 2016, **Peoples National Bank, N.A. (Mt. Vernon, Illinois) (the "Bank")** on behalf of **Mark D. Donoho and Karen Donoho** (collectively, the "**Borrowers**") submitted a written request to the **Illinois Finance Authority** (the "**Authority**") to consent to defer the Borrower's scheduled June 11, 2016 payment to November 11, 2016 "to better match [the Borrowers'] cash flow".

- The Bank's request indicated that this requested change in payment date will only affect the scheduled June 11, 2016 payment.
- There will be no other changes to the existing terms of the 2009 Guaranteed Loan or pledged collateral.
- The 2009 Guaranteed Loan is currently secured by two parcels of land including: (i) a 40-acre parcel of farmland (with improvements including farm buildings and a home) located in Jefferson County, and (ii) a 120-acre parcel of farmland located in Marion County.
- The amount of the June 11, 2016 principal and interest payment is $36,887.61 (which includes unpaid interest for the period June 11, 2015 to June 11, 2016 of approximately $23,000).

Impact of Approving Resolution Consenting to Deferral of June 11th Annual Payment to November 11th:

Conditions Under Which a Lender is Entitled to Demand Payment on the IFA Guaranteed Loan: Based on the Authority's statute, in the event of default by the Borrower, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency (which due to the Borrower's past due June 11, 2016 payment would result in an event of default pursuant to the Authority's statute as of September 9, 2016). Accordingly, as of September 9, 2016, the Bank would be entitled to authorize its right to demand payment on the IFA Guarantee and the Authority would then be obligated to pay on the Guarantee within 90 days of delivery of the Bank's written notice of demand.

Key Terms of the Resolution**:** Approval of the accompanying Resolution would avoid these results by (i) consenting to the Bank's request (on behalf of the Borrowers) to effectuate a payment extension from June 11, 2016 to November 11, 2016 while (ii) also providing a waiver by the Bank of the Borrowers' failure to make the June 11, 2016 payment (which is an Event of Default under the Bank's Promissory Note with the Borrowers) and any other Events of Default under the Promissory Note between the Bank and the Borrowers.

Key Results Achieved by Approving the Resolution: The Resolution would defer (and prospectively avoid) delivery of a Bank payment demand on the State Guarantee while providing extra time for the Bank and Borrower to explore other options (e.g., negotiating a forbearance agreement, refinancing, pursuing selective asset disposition to de-leverage, etc.).

Additional Risk Associated with Approval of the Resolution*:* In addition to the unpaid principal balance, additional risk associated with approval of this Resolution would be the exposure to cover estimated accrued interest for the Payment Extension Period (i.e., the five-month period from June 11, 2016 to November 11, 2016) of approximately $9,750.

Collateral Adequacy:

As noted previously, the IFA Guaranteed Loan will continue to benefit from the same First Mortgage security in place since this IFA Guaranteed Loan closed in 2009.

The accompanying IFA Board Summary Report cites the results of appraisal reports prepared on the two properties as of May 25, 2016 by Iuka State Bank (a competitive bank). As detailed further in the accompanying report, due to the reduction in principal balance and appreciation in land value since 2009, the 2016 appraised value of the pledged collateral (even after discounting the reported values) appears more than sufficient to cover the outstanding loan balances (and both the Bank and IFA Guarantee exposure) and the approximately $9,750 of estimated accrued interest from June 16, 2016 to November 11, 2016.

Recommendation:

I recommend approval of the accompanying Resolution providing for (i) a waiver of the Event of Default which occurred as a result of the Borrowers' failure to make a scheduled payment of principal and interest in the amount of $36,887.62 to the Bank, and (ii) a payment extension of the scheduled June 11, 2016 payment to November 11, 2016.

The Resolution would defer a prospective Bank payment demand on the State Guarantee (which could occur as soon as September 9, 2016) while providing extra time for the Bank and Borrower to explore other options (e.g., negotiating a forbearance agreement, refinancing, pursuing selective asset disposition to de-leverage, etc.). These results would be beneficial to the Authority, the Bank, and the Borrower.

Attachments:

1. IFA Resolution
2. IFA Board Summary Report

IFA RESOLUTION NO. 2016-0609-AG__

RESOLUTION AUTHORIZING CONSENT TO A DEFERRAL OF SCHEDULED PAYMENT AND WAIVER OF EVENTS OF DEFAULT FOR A LOAN SUBJECT TO AN AGRI-DEBT RESTRUCTURING GUARANTEE (BORROWERS: MARK D. DONOHO AND KAREN DONOHO, EACH INDIVIDUALLY)

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

WHEREAS, pursuant to the laws of the State of Illinois, including, without limitation. the provisions of Sections 830-5 and 830-30 of the Act, the Authority is authorized to issue state guarantees of farmers' existing debts held by a lender (each a "State Guarantee"); and

WHEREAS, under Sections 830-5 and 830-30 of the Act and Title 74, Chapter VIII, Part 1100 of the Administrative Code, the Authority has established a State Guarantee Program for Restructuring Agricultural Debt (the "State Guarantee Program"); and

WHEREAS, pursuant to the State Guarantee Program, the Authority has issued a State Guarantee in connection with a loan (the "Guaranteed Loan") made pursuant to (i) that certain Business Loan Agreement dated as of June 11, 2009 (the "Loan Agreement"), between Mark D. Donoho and Karen Donoho, each an individual, as borrowers thereunder (collectively, the "Borrowers"), and Peoples National Bank, N.A., as lender thereunder (the "Lender"), and (ii) that certain Promissory Note dated June 11, 2009 in the original principal amount of $487,000, (the "Note"), executed by the Borrowers in favor of the Lender under and pursuant to the Loan Agreement; and

WHEREAS, the Guaranteed Loan is secured by various real and personal property owned by the Borrower; and

WHEREAS, the Lender has notified the Authority that an "Event of Default" (as such term is defined in the Loan Agreement) has occurred and is continuing under the Loan Agreement, the Note and the other agreements, documents and instruments executed and delivered pursuant thereto (the Loan Agreement, the Note and such other agreements, documents and instruments being herein referred to, collectively, as the "Loan Documents'), as a result of the Borrowers' failure to make a scheduled payment of principal in the amount of $36,887.61 under the Note on June 11, 2016 (the "June Payment"); and

WHEREAS, the Lender has requested that the Authority consent to the extension to November 11, 2016, of the date for payment of the June Payment (the "Payment Extension"); and

WHEREAS, in consideration of the Payment Extension and the waiver by the Lender of the failure to make the June Payment and any Events of Default existing under the Loan Documents (the "Waiver"), the Authority has determined that it is in the best interests of the parties to consent to the Payment Extension and Waiver;

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 Consent by Authority to Payment Extension and Waiver. The consent by the Authority to the Payment Extension and the Waiver is hereby approved.

Section 3. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers and employees of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the consent by the Authority to the Payment Extension and Waiver.

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

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

Section 6. 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 11th day of August, 2016 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By ____
Executive Director

ATTEST:

____
Assistant Secretary

NON-CONDUIT

$425,472

MARK D. DONOHO & KAREN DONOHO

August 11, 2016 **AGRI-DEBT RESTRUCTURING GUARANTEE**

REQUEST	**Purpose:** In 2009, the Illinois Finance Authority provided an 85% loan guarantee in favor of **Peoples National Bank, N.A. (Mt. Vernon, Illinois)** (the "**Bank**") to facilitate a debt restructuring on $487,000 of existing farm debt under IFA's Agri-Debt Restructuring Guarantee Program. The $487,000 proceeds of the Agri-Debt Restructuring Guaranteed Loan were loaned to **Mark D. Donoho and Karen Donoho**, each as individuals (and collectively, the "**Borrowers**") in order to refinance their existing debts. The loan closed on June 11, 2009 with annual payments (due annually each June 11th) in the amount of $36,889. **Request:** The Bank has requested a deferral of the scheduled June 11, 2016 principal and interest payment to November 11, 2016. The proposed IFA Resolution that would accomplish this payment deferral would also require the Bank to waive the payment default associated with the past-due June 11, 2016 payment (and any other Events of Default) under the Promissory Note between the Bank and Borrowers. **Security:** The subject loan will remain secured by First Mortgages on two properties: (1) approximately 40 acres of farmland and improvements located in Jefferson County, Illinois and (2) approximately 120 acres of farmland located in Marion County, Illinois. ***There will be no changes to the pledged collateral.*** **Conditions:** By deferring the combined principal and interest payment due on June 11, 2016 to November 11, 2016: 1) the Bank will defer potentially delivering a demand letter on the IFA 85% Guarantee (for which the Bank must absorb the initial 15% loss); 2) the Bank will have additional time to assess the situation (and, ultimately, propose a suitable forbearance, restructuring, or asset disposition plan); and 3) IFA will have more time to assess the situation to optimize the ultimate result. **State Treasurer Reserve Funds at Risk: $361,651** (as of 6/11/2016)
BOARD ACTIONS	Resolution to (i) defer scheduled annual principal and interest payment due as of June 11, 2016 (the "**June Payment**") to November 11, 2016 and (ii) to require the Bank to waive the payment default and any other Events of Default in effect. *(One-time consideration)* This is the first time this request has been considered by the IFA Board of Directors
MATERIAL CHANGES	None.
JOB DATA	N/A Current jobs N/A Retained jobs
BORROWER DESCRIPTION	• **Type of entity:** Individuals • **Location:** Bluford, IL (properties are in Jefferson and Marion Counties) • **What does the entity do:** Grain and Pumpkin Farming • **What will Resolution request would facilitate:** (i) Defer Borrowers' June 11, 2016 payment until November 11, 2016 and (ii) waive any Events of Default associated with the June Payment
PROPOSED STRUCTURE	**Collateral:** 160 acres of Farmland and Improvements (two properties: (i) 40 acres of farmland with improvements (Jefferson County), and (ii) 120 acres of farmland (Marion County) **Collateral Position:** 1st Mortgage Position on both properties **Maturity:** June 11, 2034 (original 2009 Loan Terms) **Interest Rate:** 5.50% (See Confidential Section) **Agri-Debt Restructuring Guarantee:** 85% Loan Guarantee – Request to Defer June 11, 2016 payment until November 11, 2016 and for Bank to waive any Events of Default
SOURCES AND USES	Not Applicable (no disbursement of funds would occur in connection with this request) The outstanding loan balance (of which 85% is IFA-guaranteed) is currently $425,472. The current exposure to the State Treasurer's Reserve Fund is $361,651 (plus unpaid interest).
RECOMMENDATION	Credit Review Committee recommends approval of the Resolution as presented.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 11, 2016

Project: Mark D. Donoho and Karen Donoho

STATISTICS

Project Number: 2009-DR0501 (Existing Loan)
Type: Agri-Debt Restructuring Guarantee
Location: Jefferson and Marion Counties

Amount: $425,472
IFA Staff: Patrick Evans
County/Region: Jefferson and Marion Counties
Southern and Southeast Regions

BOARD ACTION

Final Resolution - 85% Loan Guarantee
Credit Review Committee recommends approval.
State Treasurer's Reserve Funds currently at risk: $361,651 (plus 85% of unpaid interest)

Request: Modification and deferral of Principal and Interest Payment Date from June 11, 2016 to December 11, 2016 and waiver of Event of Default on the Borrower's delinquent June 11, 2016 payment.

VOTING RECORD

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

PURPOSE

The Bank is requesting a change in payment date from June 11, 2016 to November 11, 2016. The November 11, 2016 will be the principal and accrued interest that was due on June 11, 2016. The collateral on the loan will remain the same.

IFA PROGRAM AND CONTRIBUTION

The Authority's Agriculture Guarantee Programs guarantee up to 85% of a Bank's loans to Illinois farmers and agribusiness owners. The State Guarantee Program for Restructuring Agricultural Debt is available to assist farmers in refinancing and restructuring their debts. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program (and from other available funds). These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps IFA borrowers obtain debt financing at reduced rates of interest and improved terms.

VOLUME CAP

N/A

JOBS

Current employment: N/A
Jobs retained: N/A

Projected new jobs: N/A
Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Non Applicable as no transaction action of funds will take place. This request is for deferment of June 11, 2016 payment to November 11, 2016. Total outstanding balance is $425,472 (plus unpaid interest).

FINANCING SUMMARY/STRUCTURE

Security:	1st Mortgage of 160 acres of farmland and improvements
Structure:	25 year term and amortization (Note: original 2009 loan terms).
Interest Mode:	Adjustable Every 3 years at *Wall Street Journal* Prime Rate, with a floor of 5.50%
Credit Enhancement:	IFA 85% Loan Restructuring Guarantee
Personal Guarantees:	N/A (both individuals have signed the Bank's Promissory Note as individuals)
Maturity:	June 11, 2034 (Note: original 2009 loan maturity date)
Payment Deferral Period:	From June 11, 2016 through November 11, 2016

PROJECT/BUSINESS SUMMARY

Character: Mark Donoho is a full time farmer. His wife Karen is employed as a part-time teacher/instructor at Frontier College in Fairfield. They are in their late 50's. Mark farms approximately 1,740 acres composed of: corn (790 acres), soybeans (691 acres), wheat (82.5 acres), pumpkins (95 acres), and Double Crop acres (82.5 acres). He has 1,527 full share acres.

Due to poor commodity prices and average yields, the Borrowers have suffered cash flow problems.

The Bank, on behalf of the Borrowers, is seeking a deferral of the Borrowers' past-due June 11, 2016 loan payment of $36,889 to November 11, 2016.

Rationale: The Borrowers' deteriorating cash position (the result of inadequate cash flows from farming operations) has led to the current situation and the request to amend the 2016 payment schedule. The Bank expects the Borrowers to derive sufficient funds from the sale of grains to make the June Payment (i.e., $36,889 principal and interest payment) on November 11, 2016. The Bank has noted the requested payment deferral is only being requested for the Borrowers' annual calendar 2016 payment – the Bank is not requesting amended terms on any subsequent payment.

Capital: See the Confidential Section for specific details.

Capacity: See the Confidential Section for specific details.

Collateral: This loan is secured by 160 acres of farmland, with improvements (personal residence; machine shed and shed; grain bins; grain leg; and, grain dryer), and, more specifically, composed of a 40 acre parcel (including a personal residence and building improvements) in Jefferson County and a 120 acre parcel (farmland only) in Marion County.

Updated Appraisal Reports dated as of May 25, 2016:

The May 25, 2016 appraisals reported the following values for the two pledged properties securing the IFA Guaranteed Loan:

1. **40 acres (Jefferson County) at $2,900/acre = $116,000; plus Improvements**, including: Residence ($113,760), Machine Shed ($40,325), 4 Grain Bins ($53,098), Hopper Bottom ($3,717) Transfer Shed ($5,1410, Grain Leg ($12,500), and Grain Dryer ($15,480) – **Total Improvements = $244,000**
Total – 40 Acres of Land + Improvements (Jefferson County) = $360,000
2. **120 acres at $3,800/acres (Marion County) = $456,000**

Total collateral value $816,000, creating a loan-to-value of 52.2% with Loan-to-IFA exposure of 44.3%.

A more comprehensive assessment of the pledged collateral is presented in the Confidential Section of this report (see pages 9-10).

Review of Title Policies On the Subject Properties: Copies of Mortgages reflect a Jefferson County mortgage (40 acres) filed June 18, 2009 and a Marion County mortgage (120 acres) filed June 25, 2009. Copy of a Title Policy dated June 18, 2009 and June 25, 2009 for $487,000 identifies Peoples National Bank as the sole lienholder (i.e., the Bank is secured by a First Mortgage on the subject properties).

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Borrowers:	Mark D. Donoho & Karen Donoho
Project Location:	23399 N. Heritage Bluford, IL 62814
Collateral	1st Mortgage on 160 acres of farmland (comprised of a 40-acre parcel (with improvements) in Jefferson County and a 120-acre parcel of farmland in Marion County)
Manager:	Mark D. Donoho (manages farming operation)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	N/A		
Accountant:	N/A		
Appraiser:	W. G. Kleeman	Centralia, IL	
Originating Bank:	Peoples National Bank	Mt. Vernon, IL	Jim Flagg and Kevin Young
Bank Counsel:	N/A		
IFA Advisors:	N/A		
IFA Counsel:	To be determined		

LEGISLATIVE DISTRICTS

Congressional:	12
State Senate:	58
State House:	115

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 11, 2016

Re: Resolution Authorizing and Approving the Execution and Delivery of a First Amendment to the Loan Agreement which Amends Certain Provisions of the Loan Agreement Dated as of March 1, 2004 under which the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2004 (Community Action Partnership of Lake County Project) (the "Bonds) were Issued and the Proceeds of the Bonds were Lent to Community Action Partnership of Lake County
IFA Series 2004 File Number: N-NP-TE-CD-403 or 11337

Request:

Community Action Partnership of Lake County, an Illinois not-for-profit corporation (the "**Borrower**") and **U.S. Bank, N.A.** (the "**Trustee**") are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to the Loan Agreement to amend Exhibit A to the Loan Agreement in connection with the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2004 (Community Action Partnership of Lake County Project) (the "**Series 2004 Bonds**").

Proceeds of the Series 2004 Bonds were lent to the Borrower to (i) finance the construction of an approximately 31,200 square foot Early Childhood Development Center located at 1200 Glen Flora in Waukegan, Illinois, (ii) acquire equipment and fixtures for use therein, (iii) finance permissible capitalized interest (collectively, the "**Project**"), and pay a portion of the costs of issuance of the Series 2004 Bonds.

Initially, the Early Childhood Development Center was leased by the Borrower to the Lake County Head Start Program as defined in Exhibit A to the Loan Agreement. However, as of May 5, 2016, the Borrower entered into a lease with **Lawndale Educational and Regional Network Charter School**, an Illinois not-for-profit corporation ("**LERN**" or the "**Lessee**"). LERN began utilizing the Early Childhood Development Center as of July 1, 2016. Accordingly, Exhibit A to the Loan Agreement for the Series 2004 Bonds must be amended (thereby enabling the new tenant to also be a "principal user" of the Project).

Impact:

While there will be no impact on the outstanding Series 2004 Bonds, approval of this Resolution will enable the Borrower to properly identify the new Lessee of the facility constructed with proceeds of the Series 2004 Bonds. There will be no administrative fee payable to IFA for this technical amendment.

Background:

All payments relating to the IFA Series 2004 Bonds, initially issued in the aggregate principal amount of $6,250,000, are current and have been paid as scheduled. The principal amount of the Series 2004 Bonds outstanding as of 7/31/2016 was $4,950,000. The Series 2004 Bonds are secured by a Letter of Credit from Citibank, N.A. that is otherwise set to expire 7/31/2017.

Community Action Partnership of Lake County also issued its $3,000,000 Variable Rate Demand Revenue Bonds, Series 2008A and its taxable $625,000 Variable Rate Demand Revenue Bonds, Series 2008B through the Illinois Finance Authority in March 2008. All payments are current and have been paid as scheduled. The cumulative outstanding par amount of the Series 2008A and Series 2008B Bonds as of 7/31/2016 was $3,210,000. Both the Series 2008A and taxable Series 2008B Bonds are secured by Letter of Credit from BMO Harris Bank, N.A. that is otherwise set to expire 3/14/2017.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Ice Miller LLP	Chicago, IL Lisle, IL	Jim Snyder Laurie Miller
Borrower's Advisor:	Longhouse Capital Advisors	La Grange Park, IL	Lindsay Wall
Series 2004 Bonds Letter of Credit Provider:	Citibank, N.A.	San Francisco, CA	Amy Coffin Kevin Kleen
LOC Provider Counsel:	Holland & Knight LLP	Chicago, IL	Kristen Smith
Trustee:	U.S. Bank, N.A.	St. Paul, MN	
IFA Financial Advisor:	Sycamore Advisors	Chicago, IL	Melanie Shaker

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IFA RESOLUTION NO. 2016-0811-AD__

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO THE LOAN AGREEMENT WHICH AMENDS CERTAIN PROVISIONS OF THE LOAN AGREEMENT DATED AS OF MARCH 1, 2004 UNDER WHICH THE VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2004 (COMMUNITY ACTION PARTNERSHIP OF LAKE COUNTY PROJECT), OF THE ILLINOIS FINANCE AUTHORITY (THE "BONDS") WERE ISSUED AND THE PROCEEDS OF THE BONDS WERE LENT TO COMMUNITY ACTION PARTNERSHIP OF LAKE COUNTY.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "Authority") a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "State"), including, without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplement and amended (the "Act"), is authorized by the laws of the State, including, without limitation, the Act, to issue its bonds for the purpose set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition and improvement of "industrial projects" as defined in the Act; and

WHEREAS, COMMUNITY ACTION PARTNERSHIP OF LAKE COUNTY, an Illinois not-for-profit corporation (the "Borrower"), has requested that the Authority amend the Bonds. The Bonds financed the costs of (i) constructing an approximately 31,000 square foot Early Childhood Development Center located at 1200 Glen Flora in Waukegan, Illinois, (ii) acquiring equipment and fixtures for use therein, (iii) financing permissible capitalized interest, and (iv) issuance of the Bonds; and

WHEREAS, the Bonds were issued under the terms of an Indenture of Trust dated as of March 1, 2004 between the Authority and U.S. Bank National Association, as trustee; and

WHEREAS, a draft of the following document is hereby presented to the Authority at this meeting and attached to this Resolution (the "Authority Document"):

Loan Agreement between the Authority and the Borrower dated as of March 1, 2004 shall be amended by that certain First Amendment to Loan Agreement, substantially in a form approved by the Authority in similar transactions and on file with the

Authority, under which parties agreed to amend the description of the Project, all as more fully described in the Authority Document.

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

Section 1. **Findings.** Based solely on the representations made by the Borrower, the Authority hereby makes the following finds and determinations with respect to the Borrower, the Authority Document to be executed by the Authority and the facilities financed with the proceeds of the Bonds:

(a) The Borrower is an Illinois not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) The Borrower has previously properly filed with the Authority its request for assistance in providing funds to the Borrower which the Borrower will use for the purposes aforesaid;

(c) The Project as amended does not include any property used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other professional persons in the field of religion; and

(d) The Bonds were issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. **Bonds.** The Bonds and the interest thereon shall continue to be a limited obligation of the Authority, payable solely out of the revenue and receipts derived by the Authority pursuant thereto as described in the Loan Agreement, as amended. The Bonds shall not in any respect be a general obligation of the Authority, nor shall they be payable in any manner from funds raised by taxation. No holder of the Bonds has the right to compel the exercise of the taxing power of the State or any political subdivision thereof to pay the Bonds, the interest or premium, if any, thereon. The Bonds do not constitute in any respect an indebtedness of the Authority or a loan of credit thereof within the meaning of any constitutional or statutory provision.

Section 3. **Authority Document.** The Authority does hereby authorize and approve the execution by its Executive Director, or any person authorized by a Resolution of the Authority (each an “Authorized Officer”) and the delivery and use of the Authority Document. The Authority Document shall be substantially in a form previously approved by the Authority in similar transactions, which form is on file with the Authority, 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 person’s approval and the Authority’s approval of any changes or revisions therein from the form of such Authority Document attached hereto, and to constitute conclusive evidence of such person’s approval and the Authority’s approval of the terms of the Bonds and the purchase thereof.

Section 4. **Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreement and certification of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Document, and all of the acts and doings of the Members, officers, agents, and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 5. **Approval of Acts.** All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and the same hereby are, in all respects, approved and confirmed.

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

Section 7. **Repeal of Conflicting Provisions.** All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. **Full Force and Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane, Vice President

Date: August 11, 2016

Re: Resolution Authorizing the Reissuance of the SwedishAmerican Hospital Series 2010 Bonds.
IFA Series 2010 Bonds File Number: H-HO-TE-CD-8323

The IFA previously issued its Revenue Bonds, Series 2010 Bonds for the benefit of SwedishAmerican Hospital, Rockford, Illinois, an Illinois not for profit corporation, pursuant to that certain Loan Agreement dated as of April 1, 2010 among SwedishAmerican Hospital, the Authority and Riverside Community Bank (as predecessor to Illinois Bank & Trust), as purchaser of the Series 2010 Bonds.

Currently, approximately $17,500,000 remains outstanding. The Series 2010 Bonds were purchased in a direct placement by Illinois Bank & Trust (successor to Riverside Community Bank). The Series 2010 Bonds are “bank qualified.” The Bank has agreed to reduce the interest rate on the Series 2010 Bonds (from 4.05% to 1.80%) in exchange for a guaranty issued by the Obligated Group of SwedishAmerican’s new parent organizations, which comprises the University of Wisconsin Hospital and Clinics Authority and the University of Wisconsin Medical Foundation, Inc. This interest rate reduction will cause a “deemed” reissuance for federal income tax purposes.

To maintain the bank qualification of the Series 2010 Bonds, bond counsel has advised that we will need to split the Series 2010 Bonds into two subseries, with each subseries being $10 million or less and we will have to separate the interest rate reduction for each subseries by 15 days.

SwedishAmerican Hospital has requested the Illinois Finance Authority to amend and restate the Loan Agreement pursuant to which the Series 2010 Bonds were issued and to further supplement the Loan Agreement 15 days later and deliver two replacement bonds.

Note that the Series 2010 Bonds are not being refunded nor is the weighted average maturity of the Series 2010 Bonds being extended.

IFA RESOLUTION NO. 2016-0811-AD06

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

WHEREAS, the Authority has previously issued its Illinois Finance Authority Revenue Bonds, Series 2010 (SwedishAmerican Hospital) (the "*Series 2010 Bonds*") for the benefit of SwedishAmerican Hospital, an Illinois not for profit corporation, pursuant to that certain Loan Agreement dated as of April 1, 2010 (the *"Loan Agreement*") among SwedishAmerican Hospital (the "*Borrower"*), the Authority and Riverside Community Bank (as predecessor to Illinois Bank & Trust) (the *"Lender"*), as purchaser of the Series 2010 Bonds; and

WHEREAS, at the Borrower's request, the Lender has agreed to reduce the interest rate borne by the Series 2010 Bonds (the *"Interest Rate Reduction"*) in exchange for the delivery of a guaranty of the Borrower's obligations under the Loan Agreement by the University of Wisconsin Hospitals and Clinics Authority and the University of Wisconsin Medical Foundation, Inc., which Interest Rate Reduction will result in a "deemed" reissuance of the Series 2010 Bonds for federal income tax purposes (the *"Reissuance"*); and

WHEREAS, to accomplish the Interest Rate Reduction and in connection with the Reissuance, it is necessary to (a) divide the Series 2010 Bonds into two sub-series, Subseries 2010A and Subseries 2010B, (b) amend, restate and supplement the Loan Agreement, and (c) deliver a new Subseries 2010A Bond and a new Subseries 2010B Bond in replacement of the existing Series 2010 Bond; and

WHEREAS, the Borrower has requested that the Authority execute an Amended and Restated Loan Agreement among the Authority, the Borrower and the Lender (the *"Amended and Restated Loan Agreement"*), which Amended and Restated Loan Agreement will create two sub-series of Series 2010 Bonds and will implement the Interest Rate Reduction for the Subseries 2010A Bond; and

WHEREAS, the Borrower has also requested that the Authority execute a Supplement No. 1 to the Amended and Restated Loan Agreement among the Authority, SwedishAmerican Hospital and the Lender (the *"First Supplemental Loan Agreement"*), which First Supplemental Loan Agreement will implement the Interest Rate Reduction for the Subseries 2010B Bond; and

WHEREAS, the Borrower has also requested that the Authority execute a Subseries 2010A Bond, a Subseries 2010B Bond and any additional documents required for the Interest Rate Reduction and the Reissuance;

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

Section 1. Approval of Documents. The Authority does hereby authorize and approve the execution by its Chairman, Vice Chairman or Executive Director (each an *"Authorized Officer*") of (i) the Amended and Restated Loan Agreement, (ii) the First Supplemental Loan Agreement, (iii) the replacement Subseries 2010A Bond, and (iv) the replacement Subseries 2010B Bond. Such documents shall be substantially in the forms approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the forms of such documents.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption agreements and any additional documents that may be necessary to provide for one or more additional subseries of Series 2010 Bonds), as may be necessary to carry out and comply with the provisions of these resolutions, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in any document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director or the Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable document.

Section 3. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Adopted and effective this 11th day of August, 2016:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By ______________________________________

Executive Director

ATTEST:

____

Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: August 11, 2016

Re: Resolution Confirming the Execution and Delivery of a First Amendment to Master Loan Agreement with the City of Chicago Providing for an Extension of a Final Principal Payment

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Background:

The Authority, as successor to the Illinois Development Finance Authority, is a party to a legacy Master Loan Agreement dated as of August 1, 1986 (the **"Loan Agreement"**) with the City of Chicago, acting through its Department of Housing (the **"City"**), as the borrower thereunder. The Loan Agreement was entered into pursuant to a state statute which established (and authorized subsequent appropriations to fund) the Illinois Housing Partnership Program (the **"IHPP"**), in order to permit the City to finance a series of loans used to rehabilitate multi-family housing for persons of low and moderate income. The Authority's records indicate that, although the IHPP is an ongoing loan program, no additional advances were made under the Loan Agreement subsequent to an initial, zero interest loan in what the Authority understood to be the original principal amount of $5 million. Scheduled amortization payments were made when and as required with the final installment in the amount of $3 million due August 1, 2016.

Action Requested:

In late July, the Authority was contacted by the City and told that, despite the fact that the City had periodically responded to Authority audit requests by confirming the $3 million outstanding balance, and even though a transaction fund appeared to be on hand to make a partial payment, there was a shortfall that they were not in a position to cover, since their record keeping on the matter was in disarray after several successive computer system changes over the years that, quite literally, left them with no records to back up payment. As such, the City requested a six month extension on the final principal payment to permit a full and complete accounting to be performed by the City. The extension needed to be granted effective July 31, 2016, in order to preclude the occurrence of the City's default under the Loan Agreement.

Action Taken:

A First Amendment to Master Loan Agreement dated as of July 31, 2016, was executed and delivered by the Authority and the City, extending the final $3 million principal payment until February 1, 2017. In consideration of such extension, the City agreed to deliver no later than November 11, 2016, a report setting forth with reasonable specificity an accounting for the payment history of the repayment of the loan made under the Loan Agreement and the use of the funds disbursed thereunder.

2016-0811-AD__

RESOLUTION CONFIRMING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO MASTER LOAN AGREEMENT WITH THE CITY OF CHICAGO PROVIDING FOR AN EXTENSION OF A FINAL PRINCIPAL PAYMENT

WHEREAS, the Illinois Finance Authority (the Authority"), a body politic and corporate, 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 Section 801-40(o) of the Act, the Authority is authorized to establish a Housing Partnership Program whereby the Authority provides zero-interest loans to municipalities for the purpose of assisting in the financing of projects for the rehabilitation of affordable multi-family housing for low and moderate income residents; and

WHEREAS, the Illinois Development Finance Authority ("IDFA"), a predecessor to the Authority, established such a program under its authorizing legislation, by the name of the Illinois Housing Partnership Program (the "Program"); and

WHEREAS, the Illinois General Assembly appropriated funds to IDFA to be used to make a loan to the City of Chicago (the "City") under the Program and IDFA and the City entered into a Master Loan Agreement dated as of August 1, 1986 (the "Loan Agreement") in connection therewith in order to permit the City to finance a series of loans to rehabilitate multi-family housing for persons of low and moderate income; and

WHEREAS, the City has now requested a six month extension on the final principal payment under the Loan Agreement to permit a full and complete accounting to be made by the City of the loans made thereunder; and

WHEREAS, the Authority and the City entered into a First Amendment to Master Loan Agreement dated as of July 31, 2016 (the "First Amendment") providing, among other things, for the extension of the final principal payment until February 1, 2017; 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 Confirming the Execution and Delivery of the First Amendment. The Executive Director or his designee is authorized to take all actions, reasonable and necessary, to execute and deliver the First Amendment and to provide for other matters related thereto and all prior actions heretofore taken are hereby confirmed and 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 purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 4. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with approvals set forth in Section 2 of this Resolution above.

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.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: August 11, 2016

Re: Resolution Adopting the Fiscal Year 2017 Personnel Recommendations of the Governance, Personnel, Legislation and Ethics Committee

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Request:

The accompanying Resolution provides for the adoption of the Fiscal Year 2017 Personnel Recommendations of the Governance, Personnel, Legislation and Ethics Committee of the Illinois Finance Authority, retroactive to July 1, 2016.

IFA RESOLUTION NO. 2015-0709-AD__

RESOLUTION ADOPTING THE FISCAL YEAR 2017 PERSONNEL RECOMMENDATIONS OF THE GOVERNANCE, PERSONNEL, LEGISLATION AND ETHICS COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY

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

WHEREAS, pursuant to the Act, particularly the provisions of Section 801-30 thereof, the Authority possesses all the powers as a body corporate necessary and convenient to accomplish the purposes of the Act, including, but not limited to, power "(c) to employ agents and employees and independent contractors necessary to carry out its purposes and to fix their compensation, benefits and terms and conditions of their employment;" and

WHEREAS, the Authority has heretofore implemented certain compensation and benefit plans in the form of certain resolutions, including but not limited to, Resolution 2004-13, adopted on June 22, 2004; Resolution 2004-23, adopted on October 12, 2004; Resolution 2007-02, adopted on July 11, 2006; a Resolution adopted on February 12, 2008; Resolution 2010-1214-AD23, adopted on December 14, 2010; Resolution 2011-0719-AD9, adopted on July 19, 2011; Resolution 2012-1211-AD10, adopted on December 11, 2012; Resolution 2013-0709-AD08, adopted on July 9, 2013; and Resolution 2015-0709-AD08 adopted on July 9, 2015 (collectively and together with any other resolutions heretofore adopted by the Authority relating to compensation matters for employees of the Authority, the "Prior Resolutions"); and

WHEREAS, on August 4, 2016, the Governance, Personnel, Legislation and Ethics Committee of the Authority met and reviewed the Executive Director's management and compensation recommendations for employees and agents of the Authority, and made revisions (the "Fiscal Year 2017 Personnel Recommendations") to the information contained in the Prior Resolutions (the "Prior Compensation Plan"); and

WHEREAS, the Authority has determined that it will advance the purposes of the Act and will be in the best interests of the citizens of the State to adopt the Fiscal Year 2017 Personnel Recommendations, retroactive to July 1, 2016;

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 Fiscal Year 2017 Personnel Recommendations. The Fiscal Year 2017 Personnel Recommendations as heretofore delivered to the Members of the Authority are hereby accepted and approved, retroactive to July 1, 2016.

Section 3. Delegation of Authority to Administer and Implement the Fiscal Year 2017 Personnel Recommendations. The Authority hereby authorizes, empowers and directs the Executive

Director to take the necessary actions to administer and implement the Fiscal Year 2017 Personnel Recommendations within the parameters established in this Resolution in the name and on behalf of the Authority.

Section 4. Additional Actions. The Authority hereby authorizes, empowers and directs the Executive Director of the Authority or his designee, including, but not limited to, the Chief Financial Officer of the Authority and the General Counsel of the Authority, to take or cause to be taken any and all such other further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as each, in his or her discretion, may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this Resolution.

Section 5. Repeal of Prior Resolutions. All resolutions and actions in conflict with the provisions hereof, including, but not limited to, the Prior Resolutions, are hereby repealed to the extent of such conflict.

Section 6. Prior Actions. All prior actions taken by the Executive Director, the Chief Financial Officer and the General Counsel of the Authority, including any designees thereof, in conformity with the purposes of this Resolution and the Fiscal Year 2017 Personnel Recommendations, are, in all respects, ratified, approved and confirmed.

Section 7. Severability. All provisions of this Resolution are hereby declared to be separate and severable; 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 sections, paragraphs or provisions of this Resolution.

Section 8. Enactment and Effective Date. This Resolution is effective immediately upon its adoption.

Approved and effective this 11th day of August, 2016 by roll call vote as follows:

Yeas:
Nays:
Abstain:
Absent:
Vacancies:

ILLINOIS FINANCE AUTHORITY

By ____
Executive Director

ATTEST:

____
Assistant Secretary
[SEAL]