

ILLINOIS FINANCE AUTHORITY

January 12, 2017

9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building

160 North LaSalle Street

Suite S-1000

Chicago, Illinois 60601

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

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|--|---------------------------------------|---|--------------------|----------|-------------|-------|
| Beginning Farmer Bonds <i>Final (One-Time Consideration)</i> | | | | | | |
| 1 | A) Dominic A. Ginder | Wade Township (Jasper County) | \$133,500 | - | - | PE/LK |
| | B) Jacob Niehaus | Walshville Township (Montgomery County) | \$520,000 | - | - | PE/LK |
| | C) Christopher M. & Jessica L. Scaggs | Petty Township (Lawrence County) | \$192,500 | - | - | PE/LK |
| | D) Blake A. Edwards | Cold Brook Township (Warren County) | \$524,200 | - | - | PE/LK |
| TOTAL AGRICULTURE PROJECTS | | | \$1,370,200 | - | - | |

HEALTHCARE PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|--|------------------------------|--|----------------------|----------|-------------|-------|
| 501(c)(3) Revenue Bonds <i>Preliminary</i> | | | | | | |
| 2 | Franciscan Communities, Inc. | Chicago, Lemont, Wheeling (Cook County), Lindenhurst (Lake County), and Homer Glen (Will County), Illinois; Crown Point and West Lafayette, Indiana; and Parma, Ohio | \$100,000,000 | - | 20 | PL |
| TOTAL HEALTHCARE PROJECTS | | | \$100,000,000 | - | 20 | |
| GRAND TOTAL | | | \$101,370,200 | - | 20 | |

RESOLUTIONS

| Tab | Action | Staff |
|--------------------|---|-------|
| Resolutions | | |
| 3 | Resolution Authorizing the Executive Director to Prepare and Execute a Waiver and Forbearance Agreement Waiving any Event of Default until February 1, 2018 with Respect to \$195,000 Original Aggregate Principal Amount of Sewerage Refunding Revenue Bonds, Series 1999, issued by the Piasa Township Sewer District, Jersey County, Illinois, and owned by the Authority; and Related Matters | RF/BF |
| 4 | Resolution of Intent Requesting an Initial Allocation of Calendar Year 2017 Private Activity Bond Volume Cap in the Amount of \$100,000,000 | RF |
| 5 | Resolution Approving Contracts with Amalgamated Bank of Chicago and Premier Staffing Source, Inc. | DB/EW |
| 6 | Resolution Regarding the Compensation of the Executive Director | |

Date: January 12, 2017

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

Subject: *Message from the Executive Director*

Dear Member of the Authority:

Improvements through Streamlining: Better Value for Illinois Citizens

The Piasa Township (Jersey County) Sewer District's ("Piasa") story represents more than a forbearance agreement for a debt of approximately \$31,200 and 120 rural water connections. It is a longer (and more positive) public stewardship story than the project size may indicate.

The Piasa bond dates to a 1999 pool issued by the Authority's predecessor, the Rural Bond Bank ("Bond Bank"), which at the time refinanced Piasa debt dating to 1986. The 1999 pooled Bond Bank issue, like other bonds issued by the Bond Bank, was enhanced with a contingent state taxpayer guarantee known as "moral obligation." In 2004, the Bond Bank was consolidated into the Authority along with six other statutory entities. P.A. 93-205. Among other efficiencies, the consolidation reduced the number of existing appointed board members from 47 to the current 15 and reduced the number of state agencies with the power to issue federally tax-exempt conduit debt from seven to one.

Concurrently, American Water, through its predecessors and Illinois subsidiaries, (collectively, "American Water"), a shareholder-owned water utility regulated by the Illinois Commerce Commission ("Commerce Commission") issued a series of federally tax-exempt conduit bonds through the Authority and its pre-2004 predecessor, the Development Finance Authority ("IDFA"). American Water issued through the Authority most recently in 2009 and 2010 and approximately \$53.5 million of these bonds are cumulatively outstanding.

In 2013, the Authority joined the Commerce Commission, the Illinois Environmental Protection Agency ("IEPA") and American Water in advocating for the enactment of state legislation that streamlined the acquisition of smaller water systems by larger systems such as American Water (and others) while preserving local decision-making and consumer protections provided by the Commerce Commission and IEPA. P.A. 98-213.

In 2014, the Authority used its balance sheet to extinguish all publicly-held Bond Bank (and Authority bonds issued under the Bond Bank statutory provisions) debt enhanced by State moral obligation, a total of \$32.355 million. Not only did this action remove an unnecessary contingent liability from the state taxpayers, it also created a stream of annual revenue and reduced administrative costs for the Authority. The January 2017 Finance report will provide a list of outstanding local government loans,



now directly between the Authority and the respective local government borrower, resulting from the Bond Bank program. Importantly, however, for Piasa, the Authority's 2014 action streamlined the Authority's ability to address the forbearance issue on today's agenda on its own.

The final chapter in the Piasa story is not yet written. But based on the actions of Piasa voters later this year, it could result in better service (at possibly lower cost) to Piasa residents, the repayment of Piasa's debt to the Authority, and the complete elimination of an Illinois unit of local government.

Franciscan Communities – a Senior Living Multistate Project

We are pleased to welcome ***Franciscan Communities***, a not-for-profit that operates senior living facilities in Illinois, Indiana and Ohio, back to the Authority. This project will use the Authority's statutory multistate powers to save the borrower transaction costs and preserve Illinois policies with respect to the issuance of federally tax-exempt conduit bonds. The anticipated proceeds of this transaction will fund "new money" projects and refinance certain bonds issued in 2013, 2007 and 2004. The Authority's statutory multistate power is necessary for the Authority to effectively and efficiently serve our borrowers.

Beginning Farmer Bonds

This important federal-state-private program helps new farmers overcome a significant barrier to entry into agriculture: the cost of land acquisition. The federal government annually sets the individual loan limit for the beginning farmer bond program and state law follows the federal limit. For calendar year 2017, the project loan limit is \$524,200. This month, the Authority is pleased to help five individual farmers (four projects including one spouse) and their lenders with the purchase of just over 332 acres in Jasper, Montgomery, Lawrence and Warren Counties.

Fiscal Year 2016 Finance Audit

The Authority anticipates that the Illinois Office of Auditor General will publish and release the Authority's Fiscal Year 2016 Financial Audit before the end of January 2017. Once this date is final, we will advise Authority Members and provide you with copies of the audit.

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

Date: January 12, 2017

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

Subject: ***Minutes of the December 8, 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 December 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, December 8, 2016
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1 through page 5, line 6)
- II. Approval of Agenda
(page 5, lines 7 through 18)
- III. Chairman's Remarks
(page 5, line 19 through page 6, line 7)
- IV. Message from the Executive Director
(page 6, lines 8 through 22)
- V. Consideration of the Minutes
(page 6, line 23 through page 7, line 12)
- VI. Presentation and Consideration of Financial Reports
(page 7, line 13 through page 11, line 15)
- VII. Monthly Procurement Report
(page 11, line 16 through page 13, line 24)

- VIII. Committee Reports
(page 14, line 1 through page 15, line 9)
- IX. Presentation and Consideration of the Project Reports and Resolutions
(page 15, line 10 through page 29, line 11)
- X. Other Business
(page 29, line 3 through page 37, line 6)
- XI. Public Comment
(page 37, lines 7 through 8)
- XII. Adjournment
(page 37, lines 9 through 17)

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 December 8, 2016 Regular Meeting
 - 2. Voting Record of the December 8, 2016 Regular Meeting

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ILLINOIS FINANCE AUTHORITY

REGULAR MEETING

December 8th, 2016 at 9:30 a.m.

Report of Proceedings had at the Regular Meeting of the
Illinois Finance Authority on December 9th, 2016, at the
hour of 9:30 a.m., pursuant to notice, at 160 North
LaSalle Street, Suite 51000, Chicago, Illinois.

MR. R. ROBERT FUNDERBURG, Chairman
MR. ERIC ANDERBERG
MR. JAMES J. FUENTES
MS. ARLENE JURACEK
MS. GILA J. BRONNER (Via audio conference)
MR. MICHAEL W. GOETZ
MR. ROGER POOLE
MR. LYLE MCCOY
MR. TERRY O'BRIEN
MS. BETH SMOOTS
MR. JOHN YONOVER
MR. GEORGE OBERNAGEL (Via audio Conference)

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

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

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CHAIRMAN FUNDERBURG: It's 9:30. I would like
to go ahead call to order the meeting of the
Illinois Finance Authority.

Would the Assistant Secretary please call
the roll?

FLETCHER: Certainly. The time 9:30 a.m. I
will call the roll of the Members physically present
Page 2

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APPEARANCE:

ILLINOIS FINANCE AUTHORITY MEMBERS

8 first.

9 Mr. Anderberg?

10 ANDERBERG: Here.

11 FLETCHER: Mr. Fuentes?

12 FUENTES: Here.

13 FLETCHER: Mr. Goetz?

14 GOETZ: Here.

15 FLETCHER: Ms. Juracek?

16 JURACEK: Here.

17 FLETCHER: Mr. McCoy?

18 MCCOY: Here.

19 FLETCHER: Mr. O'Brien?

20 O'BRIEN: Here.

21 FLETCHER: Mr. Poole?

22 POOLE: Here.

23 FLETCHER: Ms. Smoots?

24 SMOOTS: Here.

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1 FLETCHER: Mr. Yonover?

2 YONOVER: Here.

3 FLETCHER: And Chairman Funderburg?

4 CHAIRMAN FUNDERBURG: Here.

5 FLETCHER: Mr. Chairman, a quorum of Members
6 physically present in the room has been constituted.
7 At this time I would like to ask if any Members
8 would like to participate via audio conference?

9 BRONNER: Yes. This is Gila Bronner. I would
10 like to request.

11 FLETCHER: And the reason for your audio

Page 3

12 conference participation?

13 BRONNER: I'm out of town due to employment
14 purposes.

15 CHAIRMAN FUNDERBURG: Then also, George, you're
16 on the phone as well?

17 OBERNAGEL: Yes. George Obernagel on the
18 phone. It's business related with John Deere
19 dealerships today.

20 CHAIRMAN FUNDERBURG: Okay. We're all set now,
21 then. So is there a motion, then, to approve the
22 requests pursuant to the bylaws and policies of the
23 Authority?

24 POOLE: So moved.

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1 ANDERBERG: Second.

2 CHAIRMAN FUNDERBURG: All in favor, please say
3 aye.

4 (A chorus of ayes.)

5 CHAIRMAN FUNDERBURG: Any opposed?

6 (No response.)

7 CHAIRMAN FUNDERBURG: Motion carries. Next is
8 the approval of the agenda. I would like to ask if
9 anybody has any additions, edits or corrections to
10 today's agenda.

11 If not, is there a motion to approve it?

12 GOETZ: So moved.

13 FUENTES: Second.

14 CHAIRMAN FUNDERBURG: All in favor, please say
15 aye.

(A chorus of ayes.)

Page 4

12-8-16-2.txt

CHAI RMAN FUNDERBURG: Any opposed?

(No response.)

CHAI RMAN FUNDERBURG: As far as my remarks, I just note today is that time of year where we're considering reappointment of the Executive Director Chris Meister. I'm looking forward to that in just a few minutes.

And then, also, even though we are on a
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6

fiscal year at the end June, this is the end of the calendar year, and I wanted to take the opportunity to thank everybody that has participated in making this a great year for the IFA.

The staff, our unpaid Volunteer Board, and certainly all of our clients help make this possible. Chris?

MEISTER: Thank you, Chairman Funderburg.

Again, I would like to thank Governor Rauner. In the message from the Executive Director, the procedure for appointing the Executive Director is set forth. It requires a nomination, or plural nominations, from the Governor. That arrived on Tuesday, December the 6th.

I would also like to thank all the Volunteer Members of the Authority for the work that you do, and all of my colleagues on the staff.

We've had many accomplishments this year.

I'm grateful to be part of this

organization, and I will defer those comments and go

Page 5

12-8-16-2.txt

into detail on those accomplishments after the matter of the appointment is considered.

CHAI RMAN FUNDERBURG: Very good. Thank you. Is there anyone who wishes to make any additions, MARZULLO REPORTING AGENCY (312) 321-9365

7

edits or corrections to the minutes of the November 10th, 2016, meeting?

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

GOETZ: So moved.

CHAI RMAN FUNDERBURG: Is there a second?

JURACEK: Second.

CHAI RMAN FUNDERBURG: All the in favor, please say aye.

(A chorus of ayes.)

CHAI RMAN FUNDERBURG: Any opposed?

(No response.)

CHAI RMAN FUNDERBURG: The ayes have it. Next up is the Presentation, Consideration of Financial Reports. Ms. Granda?

GRANDA: Good morning, everyone. I will be presenting the financial statements for November 30th of 2016. Due to the short timeframe between November 30 and the printing of the Board book, the final financial analysis and the financial reports are provided in your folders.

The total revenues equal \$2.9 million and are \$850,000 or 41 percent higher than budget.

Again, that's primarily due to higher closing fees.

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Page 6

1 In November, the Authority generated
 2 \$433,000 in closing fees, which is \$142,000 higher
 3 than the monthly budget of \$291,000.
 4 Total annual expenses equals \$1.3 million
 5 and are \$740,000 or 35.9 percent lower than budget.
 6 Basically, this is mostly driven by our vacant
 7 budgeted staff positions and our reduction on
 8 spending on professional services.

9 In November, the Authority recorded
 10 operating expenses of \$263,000, which is lower than
 11 the monthly budgeted amount of 142 -- I'm sorry,
 12 \$412,000. The decrease again is primarily due to
 13 the employee-related expenses and professional
 14 services.

15 The total monthly net income for November
 16 is \$890,000, and this is due to the transfer
 17 received from the debt service reserve fund from the
 18 Series 1996 Clinic of Altgeld project bond issue in
 19 the amount of \$600,000.

20 Our total annual net income for the year
 21 so far is \$2.2 million. The major driver of the
 22 positive bottom line continues to be the level of
 23 overall spending at 35.9 percent below budget, as
 24 well as the higher closing fees, administrative

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1 fees, and also now with the transfer received from
 2 the debt service of the Clinic of Altgeld.

3 The Authority continues to maintain a
 4 strong balance sheet. The general fund has a net
 5 position of 56 point -- \$56.6 million. Our total
 6 assets are at \$56.3 million, consisting of cash
 7 investments and receivables.

8 Our unrestricted cash right now sits at
 9 \$37.6 million. The State of Illinois Assigned
 10 Purchase Receivable Report can be located in the
 11 Board books under the financial statements tab.
 12 In November, the Authority received
 13 payments in amount of \$228,000, which brings our
 14 balance down to \$328,000. On Monday, December the
 15 5th, the Authority received an additional \$167,000,
 16 which brings the balance now to \$62,000.

17 We are working with GOMB, CMS and the
 18 other state agencies to get the \$62,000 balance and
 19 the accrued prompt payment interest paid as soon as
 20 possible. As mentioned in the previous Board
 21 meetings, due to an accounting rule in fiscal year
 22 2008, the Authority has continually carried the
 23 State Resolving Fund Clean Water Initiative bonds an
 24 the Authority's balance sheet.

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1 As you may recall, the Authority issued a
 2 \$500,000 bond issued in behalf of our sister
 3 agency, the IEPA. To date, the Authority has
 4 disbursed \$117.2 million of the bonds proceeds.

5 Also, our investment manager, Clear Arc,
 6 has invested roughly about \$465.2 million in
 7 short-term securities that mature between December

8 and June of 2017.

9 So far, the accrued interest for this
10 investment is at \$276,000. The fiscal year 2016
11 financial audit remains on schedule. On
12 December 6th, the Authority has received its second
13 draft of the audit report, and it's now under
14 review.

15 As of today, the Authority anticipates one
16 GAS finding. The finding will be discussed in
17 detail when the audit report is released.

18 At this time I'll give you a brief
19 information what's coming out in December. Right
20 now, we're anticipating closing fees from Swedish
21 Covenant in the amount of \$179,000, the
22 Rehabilitation Institute in the amount of \$158,000,
23 and the annual fee from the IEPA estimated right now
24 at \$150,000. And also in December, we're hoping

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1 that the FY16 financial audit report will be
2 released.

3 Is there any questions?

4 CHAIRMAN FUNDERBURG: Thank you. If there are
5 no questions, is there a motion to accept the
6 financial report?

7 MCCOY: So moved.

8 CHAIRMAN FUNDERBURG: Is there a second?

9 FUENTES: Second.

10 CHAIRMAN FUNDERBURG: All in favor please, say
11 aye.

Page 9

12 CHAIRMAN FUNDERBURG: Any opposed?

13 (No response.)

14 CHAIRMAN FUNDERBURG: Okay, thank you.
15 Ms. Burns?

16 BURNS: Good morning. I'm Denise Burns, the
17 Deputy General Counsel, and also the Interim Agency
18 Procurement officer, and will be presenting the
19 procurement report, basically to cover the period
20 from the last Board meeting.

21 We have three classifications to discuss,
22 contracts and amendments that have been entered
23 into, contracts that are pending execution; and then
24 MARZULLO REPORTING AGENCY (312) 321-9365

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1 expiring contracts, although in the expiring
2 contract section you should note we also indicate
3 what's going to happen with respect to that
4 contract, whether it will be just simply terminated
5 or replaced by something else that's coming along.

6 In the contracts amendments entered into,
7 we have Illinois small purchases, which I will note
8 for the Board was \$50,000 or less, but has been
9 increased effective yesterday, I believe, to
10 \$80,000.

11 So that will be something that will affect
12 small purchases going forward. This is done
13 primarily because there is, as we know, a body of
14 bureaucracy and protocol associated with
15 procurements.

16 And it was just felt that number now,
Page 10

17 given inflation and just costs of things generally,
18 is a little bit low. So it is now \$80,000.

19 In our small purchases, you'll see we
20 dealt with everything from just putting in a
21 contract to control, provide assistance, controlling
22 mobile devices to some activity with respect to our
23 website.

24 In terms of contracts pending execution,
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1 both of these contracts have been negotiated and are
2 just simply, you know, waiting for people to sign
3 them. If anyone has any questions about the detail
4 in any of these categories, please feel free to ask.
5 In terms of expired and expiring
6 contracts, for the most part, these contracts are
7 being replaced in the ordinary course, but will be
8 replaced via the competitive bid process, and two of
9 which -- there were four -- two of which with
10 Amalgamated Bank and Accounting Principals.

11 The RFP process is complete, and we're
12 just simply awaiting the award to go through the
13 protocol. And with respect to Catalyst and MABSCO,
14 which are, respectfully, our network consulting and
15 in our loan management areas, those are pending the
16 RFP.

17 Does anyone have any questions? We did
18 reformulate the report a little. So, hopefully, it
19 will make it easier for you to see what's going on,
20 but also ask questions if you have any questions,

Page 11

21 rather than me go through all the detail at this
22 time.

23 Are there any questions?

24 CHAIRMAN FUNDERBURG: Any questions? Thank
MARZULLO REPORTING AGENCY (312) 321-9365

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1 you. Next are Committee report. Mr. McCoy?
2 MR. MCCOY: Thank, Mr. Chairman. The
3 Tax-Exempt Conduit Transactions Committee met
4 earlier this morning and voted unanimously to
5 recommend for approval each of the tax-exempt
6 conduit transaction matters on today's agenda,
7 including a beginning farmer bond, Southern Illinois
8 Healthcare Enterprises, Swedish Covenant Hospital,
9 Covenant Retirement Communities, Lake Forest Open
10 Lands Association, Elmhurst College, and the
11 Institute for Transfusion Medicine.

12 CHAIRMAN FUNDERBURG: Okay.

13 MR. MCCOY: Thank you.

14 CHAIRMAN FUNDERBURG: Any questions? All
15 right, thank you. Next, and I would like to just
16 state that the Executive Committee met yesterday via
17 audio conference to review Governor Rauner's two
18 nominations for the appointment of Executive
19 Director of the Authority for a one-year term.

20 Those two nominees are current Executive Director
21 Chris Meister and also Elizabeth Weber.

22 The Governor Rauner's nomination letters
23 and both of the resumes can be found in the manila
24 folder. The Executive Committee reviewed these

MARZULLO REPORTING AGENCY (312) 321-9365
Page 12

1 materials yesterday in closed session and voted on
2 them in open session to make a recommendation.

3 Accordingl y, I would like to ask Executive
4 Director Chris Meister to step out of the room so
5 that we can consider Item No. 8 on the agenda, the
6 resolution appointing the Executive Director of the
7 Illinois Finance Authority.

8 MEISTER: Thank you, Mr. Chairman. Thank you,
9 Members.

10 FLETCHER: Mr. Chairman, I would like to note
11 for the record that Executive Director Meister has
12 exited the room, and the Members are now considering
13 Item No. 8 of the Project Reports and Resolutions,
14 which is Item No. 9 on the agenda.

15 CHAIRMAN FUNDERBURG: Okay, thank you. So,
16 again, yesterday the Executive Committee met, and we
17 recommended the appointment of Christopher Meister
18 as Executive Director of the Authority for a
19 one-year term.

20 At this time I don't believe it's
21 necessary -- we can enter into a closed session
22 under the appointment and employment exception of
23 the Illinois Open Meetings Act to have a
24 confidential discussion of Item No. 8, or we can
MARZULLO REPORTING AGENCY (312) 321-9365

1 remain in open session.

2 Again, I'll say that we had a full review
Page 13

3 through the Executive Committee. It's again my
4 belief I don't think we need to go into closed
5 session. Instead, I would like to entertain a
6 motion appointing Chris Meister to the position.
7 Very good.

8 FUENTES: So moved.

9 ANDERBERG: Second.

10 CHAIRMAN FUNDERBURG: There's a motion by
11 Mr. Fuentes.

12 BRONNER: Third.

13 CHAIRMAN FUNDERBURG: There is a second by
14 Mr. Anderberg, and a third by Ms. Bronner.

15 Is there any discussion at this point? If
16 not, then I would like to call for the roll.

17 FLETCHER: So on the motion and the second,
18 I'll call the roll.

19 Mr. Anderberg?

20 ANDERBERG: Yes.

21 FLETCHER: Ms. Bronner on the line?

22 BRONNER: Yes.

23 FLETCHER: Mr. Fuentes?

24 FUENTES: Yes.

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1 FLETCHER: Mr. Goetz?

2 GOETZ: Yes.

3 FLETCHER: Ms. Juracek?

4 JURACEK: Yes.

5 FLETCHER: Mr. McCoy?

6 MCCOY: Yes.

7 FLETCHER: Mr. O'Brien?
Page 14

8 O'BRIEN: Yes.
 9 FLETCHER: Mr. Obernagel on the line?
 10 OBERNAGEL: Yes.
 11 FLETCHER: Mr. Poole?
 12 POOLE: Yes.
 13 FLETCHER: Ms. Smoots?
 14 SMOOTS: Yes.
 15 FLETCHER: Mr. Yonover?
 16 YONOVER: Yes.
 17 FLETCHER: And Chairman Funderburg?
 18 CHAIRMAN FUNDERBURG: Yes.
 19 FLETCHER: Mr. Chairman, the motion carries.
 20 CHAIRMAN FUNDERBURG: Thank you. Next up is
 21 the Presentation of the Project Reports.
 22 Patrick, will you take it, please?
 23 EVANS: Today we have --
 24 FLETCHER: Mr. Chairman, would you like to ask
 MARZULLO REPORTING AGENCY (312) 321-9365

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18

1 for the general consent of Members first to consider
 2 the projects collectively?
 3 CHAIRMAN FUNDERBURG: Excuse me, Patrick. I
 4 stepped ahead just for a minute. I do need to ask
 5 for the general consent of the Members to consider
 6 the Project Reports and Resolutions collectively,
 7 and to have the subsequent recorded vote applied to
 8 each respective individual Project and Resolution,
 9 unless there are any Specific Project Reports and
 10 Resolutions that a Member would like to consider
 11 separately.

Page 15

12 12-8-16-2.txt
 13 If there are none, then I would like to go
 14 ahead and start. Patrick?
 15 EVANS: Today we have Ben John Emmerich, who is
 16 purchasing 60 acres of real estate with a residence
 17 on it. The total cost of this purchase is \$270,000.
 18 The appraisal recognizes the residence having a
 19 value of 30,000 with a bare land value being
 20 \$240,000, or \$4,000 per acre.
 21 People's State Bank of Newton will retain
 22 a loan of 50 percent or \$135,000 of this purchase.
 23 IFA will provide a beginner farmer bond to the bank
 24 that will maintain the first position by utilizing
 the FSA 5/45/50 loan program.

MARZULLO REPORTING AGENCY (312) 321-9365

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19

1 The terms of this bond is provided in the
 2 writeup, and the property is located in Jasper
 3 County. If there's no questions, thank you very
 4 much.
 5 CHAIRMAN FUNDERBURG: Okay. Any questions for
 6 Patrick? Okay.
 7 FLETCHER: I would like to note for the record
 8 that Executive Director Meister has returned to the
 9 room.
 10 LENANE: Okay. If you go to tab 2, please, in
 11 your book, Southern Illinois Healthcare Enterprises.
 12 Southern Illinois -- should I go ahead?
 13 CHAIRMAN FUNDERBURG: Please.
 14 LENANE: Southern Illinois Healthcare
 15 Enterprises is seeking a Final Bond Resolution to
 16 approve the issuance of \$150,000,000 to advance
 Page 16

17 refund all of their Series 2005 bonds, to reimburse
 18 themselves for their conversion to the EPIC
 19 electronic medical system, to pay eligible costs
 20 related to the new Southern Illinois University
 21 building, including housing for medical students and
 22 clinical operations to purchase their headquarters
 23 and to raise additional capital for a miscellaneous
 24 project fund.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 You saw this preliminary resolution last
 2 month. They have now determined the amount of jobs
 3 that will be produced by the projects, which is 300
 4 construction jobs, no new jobs.

5 Also, I would like to note that the
 6 pricing of the bonds has been pushed to January for
 7 the refunding of the 2005 bond, because of the
 8 unfavorable market conditions currently.

9 Currently, hopes are that the conditions
 10 will be better in January. If they aren't, they
 11 won't refund the bonds, but they are seeking
 12 authorization now in the hopes conditions will be
 13 more favorable.

14 And if anybody has any questions? Okay.

15 All right.

16 No. 3 in your book is Swedish Covenant
 17 Hospital. We saw Swedish Covenant Hospital for
 18 approval of a public offering for approximately
 19 \$107,000,000 in October. They are back here again
 20 requesting a one-time final to approve the issuance

Page 17

21 of a series of tax-exempt bonds in the amount
 22 approximately \$50,800,000 in a direct bank purchase
 23 with PNC Bank and Fifth Third Bank. These bonds
 24 will be currently used to refund all or a portion of

MARZULLO REPORTING AGENCY (312) 321-9365

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21

1 the Series 2008 bonds.

2 The rate will be determined at pricing.

3 Swedish carries long-term ratings of BBB+, S&P and
 4 Fitch. I've been through Swedish at the Committee,
 5 and they have good debt service coverage at 2.5 and
 6 185 days cash on hand.

7 The net present value from this refunding
 8 is estimated at \$9,000,000. As you will remember,
 9 when Swedish came in October, they were going to do
 10 a public offering. We were scheduled to price after
 11 the election, but the CFO, being very smart, said,
 12 "Let's push it three weeks ahead and let's price
 13 before the election. No one knows what's going to
 14 happen," and he got a tremendous rate and tremendous
 15 savings. So that was a very successful move on his
 16 part. Any questions?

17 Okay, No. 4, Covenant Retirement

18 Communities. This is a new project to be seen.

19 It's requesting a one-time Final Bond Resolution to
 20 approve the issuance of a series of tax-exempt bonds
 21 in the amount of approximately \$55,000,000 and a
 22 direct bank purchase with Bank of America. The
 23 bonds are currently held by JP Morgan Chase.

24 The bond proceeds will be used to refund

MARZULLO REPORTING AGENCY (312) 321-9365

Page 18

1 all of the Series 2011A bonds in today's cost of
 2 issuance. The 2011A and B bonds were issued to
 3 refund bonds for projects in Illinois and in
 4 Westminster, Colorado. Hence, we've got multi-state
 5 here.

6 They are doing this to lower interest
 7 rates. They will have debt service -- they will
 8 have present value savings, but because the rate is
 9 variable, it's hard to determine what that will be.

10 We went over their financials in the
 11 Committee, and they are rated BBB+ by Fitch. Are
 12 there any questions?

13 CHAIRMAN FUNDERBURG: Okay.

14 LENANE: You don't need resolutions, okay.

15 CHAIRMAN FUNDERBURG: Okay, thank you.

16 FRAMPTON: Okay. Good morning, everyone.

17 We'll move on next to tab 5. We have a final -- we
 18 have a resolution for Lake Forest Open Lands
 19 Association and Lake Forest Land Foundation. They
 20 are requesting approval of a resolution in an amount
 21 not to exceed \$10,000,000 of 501C3 revenue refunding
 22 bonds.

23 The proposed bond issue will be undertaken
 24 to enable the borrowers to convert their existing

MARZULLO REPORTING AGENCY (312) 321-9365

1 IEFA series 1999 bonds from a direct pay letter of
 2 credit structure with the Northern Trust Company to

3 a direct purchase, also with the Northern Trust
 4 Company.

5 The original 1999 proceeds were used by
 6 the Association to finance the acquisition and
 7 improvements to several properties in their
 8 portfolio.

9 Just some background on the Lake Forest
 10 Open Lands Association. They were formed in 1967 to
 11 promote the preservation and maintenance of open
 12 lands for scientific and educational purposes. They
 13 currently operate six what are essentially
 14 non-profit owned forest preserves in the area
 15 surrounding Lake Forest.

16 They will be operating an additional two
 17 preserves beginning next year in 2017. They are
 18 primarily supported with charitable contributions.
 19 Roughly 75 percent of their revenues are generated
 20 from contributions.

21 They have both corporate and private
 22 individuals who are contributors, Baxter, Abbott,
 23 and some of the larger banks, including Wintrust,
 24 Northern Trust and Fifth Third are all contributors.

MARZULLO REPORTING AGENCY (312) 321-9365

1 In terms of the resolution in the new
 2 financing, it will maintain the existing August 20
 3 -- the August 1, 2033, final maturity date and also
 4 the bullet maturity structure as credit approved by
 5 the Northern Trust Company.

6 Again, this refinancing is being
 7 undertaken not for cost savings, per se, but it's to
 Page 20

12-8-16-2.txt

8 exit the letter of credit structure and change to a
9 bank purchase structure; and, of course, given the
10 direct bank purchase structure, this is a conduit
11 financing.

12 There is no direct financial risk to the
13 Authority. The Northern Trust Company has and will
14 continue to assume all bondholder risk. This
15 financing is scheduled to close two weeks from today
16 on December the 21st, and at that time the borrower
17 will be paying the Authority a \$10,000
18 administrative fee.

19 With that, I will stop and ask if you have
20 any questions? Okay, hearing none, I appreciate
21 your consideration. Thank you very much.

22 CHAIRMAN FUNDERBURG: Thank you.

23 FLETCHER: Mr. Chairman, Members, next is tab 6
24 in your Board book, which is a final bond resolution

MARZULLO REPORTING AGENCY (312) 321-9365

25

1 on behalf of Elmhurst college in a not-to-exceed
2 amount of \$20.2 million.

3 Similar to Lake Forest Lands, Elmhurst
4 College is seeking to convert its variable rate
5 debt, which is outstanding in the capital markets
6 and secured by a letter of credit into a bank direct
7 purchase structure.

8 Elmhurst issued approximately \$15,000,000
9 through a pooled financing through IEFA in 1998, and
10 approximately \$5,000,000 through IEFA's pooled
11 financing program in 1999. So this would be

Page 21

12-8-16-2.txt

12 considered a refunding for tax purposes.

13 The refunding principal amount will be a
14 cumulative amount, which is \$20,000,000. They are
15 also seeking to finance on a tax-exempt basis any
16 cost of issuance-expected to be approximately
17 \$200,000.

18 Approval of this Bond Resolution will
19 allow Compass Mortgage Corporation, which is a
20 non-bank subsidiary wholly owned by Compass Bank out
21 of Alabama, to purchase the outstanding debt and
22 hold it on its portfolio. With respect to the terms
23 and conditions agreed to by Compass Bank's affiliate
24 and the borrower, interest payments will be monthly

MARZULLO REPORTING AGENCY (312) 321-9365

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26

1 through maturity. The maturity date will be
2 March 1, 2028.

3 Interest payments will be variable at a
4 factor of LIBOR plus an applicable spread, which is
5 what we see typically in our bank direct purchase
6 dealings.

7 A couple notes for the record. Subsequent
8 to the printing of the Board books in front of you,
9 Amalgamated Bank was engaged as a filing agent to
10 file the Office of the Comptroller's C08 reports.

11 And, finally, as has been customary, we're
12 applying our discounted fee to the refunded
13 principal amount here, because they are exiting a
14 letter of credit structure into a bank direct
15 purchase structure, but our regular fee schedule
16 will be applied to the \$200,000 cost of issuance

Page 22

17 being financed.

18 In addition to the forthcoming closings by
19 the end of the December, as Six mentioned earlier,
20 this will actually be closing next week as well.

21 Any questions?

22 CHAI RMAN FUNDERBURG: Thank you.

23 FLETCHER: Thanks.

24 LENANE: Tab 7 in your book is a resolution

MARZULLO REPORTING AGENCY (312) 321-9365

27

1 authorizing -- the Institute for Transfusion
2 Medicine is requesting a resolution authorizing an
3 amendment to a loan agreement for their Series 2010
4 Illinois Finance Authority bonds that were issued in
5 the amount of \$26,500 and -- \$26,500,000, which were
6 sold to JP Morgan Chase. JP Morgan Chase still owns
7 the bonds.

8 The Institute is requesting that one of
9 the affiliated entities, the Blood Science
10 Foundation, be removed as a borrower no later than
11 December 31, 2016, as part of their restructuring.

12 This requires the consent of the trustee
13 and the authority and the bondholder. The
14 bondholder has consented, and we're getting a Bond
15 Counsel opinion on this transaction, and it will
16 close by December 31.

17 Any questions? Thank you.

18 CHAI RMAN FUNDERBURG: Okay, thank you, Pam.

19 All right, at this point, I would like to ask for a
20 motion to pass and adopt the following Project

Page 23

21 Resolutions: Items 1 through 7, inclusive. Is

22 there such a motions?

23 McCoy: So moved.

24 GOETZ: Second.

MARZULLO REPORTING AGENCY (312) 321-9365

28

1 CHAI RMAN FUNDERBURG: Mike second. Discussion?

2 Further questions? All in favor, please say aye.

3 (A chorus of ayes.)

4 CHAI RMAN FUNDERBURG: Any opposed?

5 (No response.)

6 FLETCHER: If I may, Mr. Chai Rman.

7 CHAI RMAN FUNDERBURG: I'm sorry, we're going to
8 do the roll.

9 FLETCHER: I'll take a roll call based on the
10 motion by Mr. McCoy and seconded by Mr. Goetz.

11 Mr. Anderberg.

12 ANDERBERG: Yes.

13 FLETCHER: Ms. Bronner on the line?

14 BRONNER: Yes.

15 FLETCHER: Mr. Fuentes.

16 FUENTES: Yes.

17 FLETCHER: Mr. Goetz?

18 GOETZ: Yes.

19 FLETCHER: Ms. Juracek?

20 JURACEK: Yes.

21 FLETCHER: Mr. McCoy?

22 MR. MCCOY: Yes.

23 FLETCHER: Mr. O'Brien?

24 O'BRIEN: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365

Page 24

8 United States Department of Transportation, but I
9 think that this -- that CenterPoint really
10 represents what can be done in the tax-exempt space,
11 if the Federal Government agrees.

12 With respect to education, it's really
13 distinguished by volume. We did bond issuances on
14 behalf of The University of Chicago, Mount Carmel,
15 DePaul University, Lake Forest Academy, Loyola
16 Academy, the University of St. Francis.

17 A smaller sector, because there is another
18 agency that deals with housing, I would also like to
19 point out the Better Housing Foundation, which was a
20 pure nonprofit conduit, basically preservation of
21 low-income housing across the south side of Chicago.

22 But we are very fortunate this year,
23 because I think it's safe to say in the life of the
24 Authority since 2004, there has been no project that
MARZULLO REPORTING AGENCY (312) 321-9365

32

1 that has been recognized by The Bond Buyer
2 deal-of-the-year nomination.

3 And the Presence Healthcare deal, of which
4 we did two over the last 12 months, received from
5 The Bond Buyer, in a very competitive process, "Bond
6 Buyer Deal of the Year for Healthcare." It was not
7 the overall bond deal of the year, but it was very
8 significant.

9 What The Bond Buyer wrote, which I think
10 is probably a very succinct summary, the Illinois
11 Finance Authority's \$1,000,000,000 issue on behalf

Page 27

12 of Presence Health network, the sale marked the
13 largest high yield not-for-profit healthcare deal in
14 recent memory and generated significant savings that
15 could be reinvested into services, while providing
16 some breathing room for Presence's turnaround plan
17 to achieve results.

18 That's a very succinct summary. It does
19 not really tell the whole story. Pam Lenane, who
20 led this deal on behalf of the Authority, and I were
21 out in New York City last Thursday.

22 So Mike Englehart, who you met when he
23 presented to the Authority earlier this year, and of
24 course as the Members will recall, you were all kind

MARZULLO REPORTING AGENCY (312) 321-9365

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33

1 enough to volunteer your time for a special meeting
2 the last Tuesday in May, but Mike Englehart is the
3 new CEO of Presence.

4 He took that position last Fall, and much
5 to his surprise, some of the financial situation was
6 far more dire than he had imagined. So what he
7 said, and I'm going to paraphrase -- last Thursday
8 night he was far more blunt.

9 I'm not going to be as blunt, but he said,
10 "Look, I've worked for Advocate, and I had run 5,000
11 doctors in the revenue operations for Advocate, and
12 I knew nothing about bonds. I knew nothing about
13 municipal finance, but without the team of people,
14 the bankers, JP Morgan, the financial advisor
15 Kaufman Hall, the lawyers Chapman & Cutler and Nixon
16 Peabody, and he went out of his way to highlight the

Page 28

17 work of the Illinois Finance Authority, the issuer.
 18 He said from the stage, without this
 19 collective effort, the work of groups of nuns that
 20 had come to our state, 125 and 150 years ago, to
 21 some of the toughest communities in the state that
 22 started providing healthcare out of people's homes,
 23 not even at hospitals, would have come to a swift
 24 and irrevocable stop.

MARZULLO REPORTING AGENCY (312) 321-9365

34

1 So because of the work, the collective
 2 work of all of the municipal finance professionals,
 3 including the Authority, the work that was begun in
 4 the 19th century in our state can continue.
 5 Presence Healthcare is the largest
 6 provider of Medicaid services in this state. It is
 7 the largest provider of behavioral health services
 8 in the state. It is also the largest Catholic
 9 health system based in Illinois.
 10 It has over 150 sites of care, 11
 11 hospitals, and more than 20,000 employees and 4,000
 12 medical professionals and a revenue base of
 13 \$2.6 billion.

14 So with that, I'm very proud of the work
 15 that we do. I'm deeply appreciative for the
 16 confidence, and I thank all of the Board Members and
 17 all of the staff for your service.

18 CHAIRMAN FUNDERBURG: Thank you, Chris. Also,
 19 in your writeup in the Executive Director report in
 20 the Board packet, you talk about the power of

Page 29

21 conduit bonds, and I think that, you know, in
 22 general, and then specifically at this time, it
 23 would be appropriate if you could just highlight
 24 some points from that.

MARZULLO REPORTING AGENCY (312) 321-9365

35

1 MEISTER: Yes. So it's important for everybody
 2 in this room to understand what we do, because
 3 you'll never know when you might run into a federal
 4 decision maker or a Member of Congress.

5 Conduit bonds, what we do, really, it is
 6 what I call a private/public partnership. It's
 7 founded on the idea that there are private entities
 8 that can do certain things, healthcare, education,
 9 cultural impact, certain categories of private
 10 sector jobs that benefit society as a whole.

11 This is harnessed by the private capital
 12 markets, private lenders. Government does not make
 13 the decision, the go or no-go decision, to make the
 14 loan.

15 Government is not involved in paying back
 16 the loan, in large measure, but the Federal
 17 Government does provide a rather significant
 18 economic subsidy through the Federal Tax Code that
 19 results in lower interest rates for the borrower in
 20 a stream of tax-exempt -- federally tax-exempt
 21 revenue for the investors.

22 There's been a lot of discussion over the
 23 last year on jobs, capital infrastructure, other
 24 items, and I appeal to Congress to not break a tool

MARZULLO REPORTING AGENCY (312) 321-9365
 Page 30

12-8-16-2.txt 36

1 that works very, very well .

2 CHAIRMAN FUNDERBURG: Great. In IFA, we talk a

3 lot about impact, public impact, and Chris just

4 outlined some really great examples of how IFA packs

5 a pretty powerful punch in the realm of economic

6 development and spurri ng jobs and accomplishi ng a

7 lot of -- the rest of its mission, in addition to

8 providing value and having positive impact outside

9 of just the scope of IFA.

10 So I think it's really important to keep

11 in mind how important it is to have this tool that

12 we have. Thank you.

13 Is there any other business to come before

14 the Board? If not, then is there a -- I'll point

15 out that we have our next meeting scheduled for

16 January 12th, 2017.

17 If there's no other business, I would like

18 to ask for a motion to adjourn.

19 FLETCHER: If I may interrupt. Can we excuse

20 Members Zeller, Knox and Horne, please?

21 CHAIRMAN FUNDERBURG: Yes, we have to excuse

22 the absences. So would anybody like to do that?

23 JURACEK: I'll make the motion.

24 CHAIRMAN FUNDERBURG: Is there a second?

MARZULLO REPORTING AGENCY (312) 321-9365

37

1 FUENTES: Second.

2 CHAIRMAN FUNDERBURG: All in favor, please say

Page 31

12-8-16-2.txt 38

3 aye.

4 (A chorus of ayes.)

5 CHAIRMAN FUNDERBURG: Any opposed?

6 (No response.)

7 CHAIRMAN FUNDERBURG: Thank you, Mr. Fletcher.

8 And then also any public comments in the group? The

9 meeting is over. Thank you all.

10 FLETCHER: Is there a motion to adjourn?

11 CHAIRMAN FUNDERBURG: We did that.

12 GOETZ: So moved.

13 CHAIRMAN FUNDERBURG: Is there a second?

14 FUENTES: Second.

15 CHAIRMAN FUNDERBURG: All in favor?

16 (A chorus of ayes.)

17 FLETCHER: The time is 10:13 a.m.

18 (WHICH WERE ALL THE PROCEEDINGS HAD AT 10:13 a.m.)

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MARZULLO REPORTING AGENCY (312) 321-9365

38

1 STATE OF ILLINOIS }
2 COUNTY OF COOK } SS:
3
4 PAMELA A. MARZULLO, C.S.R., being first duly sworn,
5 says that she is a court reporter doing business in the city
6 of Chicago; that she reported in shorthand the proceedings
7 had at the Proceedings of said cause; that the foregoing is
Page 32

12-8-16-2.txt

8 a true and correct transcript of her shorthand notes, so
9 taken as aforesaid, and contains all the proceedings of said
10 meeting.

11
12 PAMELA A. MARZULLO
13 License No. 084-001624
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MARZULLO REPORTING AGENCY (312) 321-9365

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

December 8, 2016

10 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
DECEMBER 8, 2016 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
NOVEMBER 10, 2016 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-1208-AG01
 BEGINNING FARMER REVENUE BOND – BEN JOHN EMMERICH
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-1208-HC02
 501(c)(3) REVENUE BOND – SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, INC.
 FINAL
 PASSED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-1208-HC03
 501(c)(3) REVENUE BOND – SWEDISH COVENANT HOSPITAL
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-1208-HC04
 501(c)(3) REVENUE BOND – COVENANT RETIREMENT COMMUNITIES, INC.
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

ROLL CALL

RESOLUTION 2016-1208-AD05

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10,000,000 IN
 AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE
 REFUNDING BONDS, SERIES 2016 (LAKE FOREST OPEN LANDS ASSOCIATION), THE
 PROCEEDS OF WHICH ARE TO BE LOANED TO LAKE FOREST OPEN LANDS
 ASSOCIATION AND LAKE FOREST LAND FOUNDATION
 ADOPTED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

ROLL CALL

RESOLUTION 2016-1208-AD06

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,200,000
 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES
 2016 (ELMHURST COLLEGE); AUTHORIZING THE EXECUTION AND DELIVERY OF A
 BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND
 AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS
 ADOPTED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-1208-AD07
 RESOLUTION AUTHORIZING THE AMENDMENT OF THE LOAN AGREEMENT DATED
 AS OF JULY 1, 2010 WITH THE INSTITUTE FOR TRANSFUSION MEDICINE AND
 AFFILIATED COMPANIES RELATED TO THE \$26,500,000 ILLINOIS FINANCE
 AUTHORITY REVENUE BONDS, SERIES 2010 (THE INSTITUTE FOR TRANSFUSION
 MEDICINE) AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS
 ADOPTED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-1208-AD08
 RESOLUTION APPOINTING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE
 AUTHORITY
 ADOPTED*

December 8, 2016

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

Date: January 12, 2017

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: Ximena Granda, Controller

Subject: *Presentation and Consideration of Financial Reports as of December 31, 2016**

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

FISCAL YEAR 2017-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. **Total Annual Revenues** equal \$**3.4** million and are \$**894** thousand or **36.0%** higher than budget due primarily to **higher** closing fees in the month of September. Closing fees year-to-date of \$2.4 million are \$694 thousand or 39.8% **higher** than budget. Annual fees of \$160 thousand are \$53 thousand higher than the budgeted amount. Administrative service fees of \$181 thousand are \$154 thousand higher than budget (which includes the \$150,000 July 2016 final exit fee in connection with the now ended 1985 Healthcare Pool financing project). Application fees total \$22 thousand and are \$7 thousand higher than the budgeted amount. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$416 thousand (which represents a declining asset since 2014). Net investment income position is at \$146 thousand for the fiscal year and is \$42 thousand higher than budget,* due primarily to the accrual of interest in the aggregate amount of \$90 thousand in connection with the State Prompt Payment Act for State receivables outstanding from July 2016 to September 2016.
- b. In **December**, the Authority generated \$337 thousand in closing fees, higher than the monthly budgeted amount of \$291 thousand. Closing fees were received from: **Rehabilitation Institute of Chicago** for \$158 thousand; **Elmhurst College** for \$31 thousand; **Lake Forest Open Lands Association** for \$10 thousand and **Swedish Covenant Hospital** for \$138 thousand. In December, we recorded a net investment gain of \$23 thousand.

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

* Governmental Accounting Standards Board (GASB) Statement No. 31. This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.

- Authority investment manager advises that global market conditions contribute to this
- Past performance does not direct the outcome of future outcomes, however in FY2015 investment income total \$642 thousand compared to (unaudited) FY2016 total \$ 742 thousand

- c. **Total Annual Expenses** of \$1.6 million were \$899 thousand or 36.3% lower than budget, which was mostly driven by vacant budgeted staff positions and below budget spending on professional services. Year-to-date, employee and professional services expenses total \$1.3 million; with each function at 27.2% and 55.6% under budget, respectively. Annual occupancy costs of \$88 thousand are 14.2% lower than the budget, while general and administrative costs are \$174 thousand for the year, which is 14.2% lower than budget. Total depreciation costs are \$10 thousand and 17.2% below budget. Total cash transfers in from the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) to the General Operating Fund are \$4.9 million. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund are \$108 thousand (represents a transfer to the JRTC janitorial vendor; see Financial Statements and supplementary Information in Board Book)
- d. In **December**, the Authority recorded operating expenses of \$254 thousand, which is lower than the monthly budgeted amount of \$412 thousand. The decrease is due primarily to employee related expenses and professional services being lower than expected.
- e. **Total Monthly Net Income** of \$205 thousand is driven by lower than expected spending across all categories and higher than expected closing fees.
- f. **Total Annual Net Income** is \$2.4 million. The major driver of the annual positive bottom line continues to be the level of overall spending at 36.3% below budget, as well as higher closing fees, higher administrative service fees and the accrual of the prompt payment interest.

2. **ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION**

The Authority, as of December 31, 2016, is a \$120.8 million dollar agency which also currently accounts for \$300 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for nearly \$24 billion in outstanding debt.

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

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$56.2 million. The total assets in the General Fund are \$56.5 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$37.9 million (with \$5.6 million cash). Notes receivables from the former Illinois Rural Bond Bank local governments total \$16.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at \$2.5 million.

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 in this fund total \$730 million (which includes the \$500 million CWI bonds that closed on September 12, 2016). Restricted investments total \$342.8 million with accrued investment income at \$278 thousand. Total CWI bond proceeds disbursed to date from the September issuance is \$126.5 million.
- b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of \$210 thousand. In Fiscal Year 2017, two new loans were disbursed for a total of \$700

thousand under the Fire Truck Revolving Loan program and, thirteen new loans were disbursed for a total of \$1.3 million under the Ambulance Revolving Loan program. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority's balance sheet is \$22.8 million and \$4.2 million, respectively.

The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses in relation to the Authority's agricultural loan guarantee program. As of December 31, 2016, the Agricultural Loan Guarantee Fund with a Restricted Net Position of \$10.1 million includes no loss reserve, but the Agribusiness Fund with a Restricted Net Position of \$7.5 million includes a loss reserve of \$442 thousand for potential loan loss payouts. Moreover, the Industrial Revenue Bond Insurance Fund includes restricted assets held locally by the Authority to make payouts of losses in relation to the Authority's agricultural loan guarantee program (please see Senate Bill 324, Public Acct 99-0509). The Restricted Net Position for the Industrial Revenue Bond Insurance Fund is \$11.9 million as December 31, 2016.

- c. All other nonmajor funds recorded total year-to-date revenues of \$75 thousand. Year-to-date expenses total \$4 thousand as of December 31, 2016. Total Net Position in the remaining non-major funds is \$37.6 million.
- d. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of \$6 thousand in the custody of the Authority. The Illinois Finance Authority NFP Development Fund has a total net position of \$20 thousand.

5. AUTHORITY AUDITS AND REGULATORY UPDATES

- a. The Fiscal Year 2016 Financial Audit Examination conducted by RSM US LLP which began on September 6, 2016 concluded on October 28, 2016. The Authority is awaiting the release of the Fiscal Year 2016 Financial Audit Report in the coming weeks.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

- a. The Fiscal Year Comparison of Bonds Issued, The Fiscal Year 2017 Bonds Issued, Schedule of Debt, the State of Illinois Receivables Summary, a listing of our Local Government Loans, Fire Truck Loans, Ambulance Loans and a listing of New Loan Awards from the CWI bonds for IEPA are being presented as supplementary financial information, immediately following the financial reports in your Board package (or manila folder).

Respectfully submitted,

/s/ Ximena Granda
Controller



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2017 AS OF DECEMBER 31, 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 | \$ 230,038 | \$ 479,153 | \$ 745,423 | \$ 213,750 | \$ 432,506 | \$ 337,250 | | | | | | | \$ 2,438,120 | \$ 1,744,200 | \$ 693,920 | 39.8% |
| Annual Fees | 26,604 | 22,792 | 30,432 | 27,938 | 25,960 | 26,601 | | | | | | | 160,327 | 107,189 | 53,138 | 49.6% |
| Administrative Service Fees | 161,000 | - | - | - | 20,000 | - | | | | | | | 181,000 | 27,500 | 153,500 | 558.2% |
| Application Fees | 200 | 2,000 | 8,700 | 3,700 | 5,600 | 1,400 | | | | | | | 21,600 | 14,850 | 6,750 | 45.5% |
| Miscellaneous Fees | 94 | 4,752 | - | - | 338 | - | | | | | | | 5,184 | 250 | 4,934 | 1973.6% |
| Interest Income-Loans | 69,733 | 68,858 | 69,694 | 69,615 | 69,169 | 69,203 | | | | | | | 416,272 | 414,685 | 1,587 | 0.4% |
| Other Revenue | 191 | 191 | 190 | - | 9,506 | 177 | | | | | | | 10,255 | 72,000 | (61,745) | -85.8% |
| Total Operating Revenue: | \$ 487,860 | \$ 577,746 | \$ 854,439 | \$ 315,003 | \$ 563,079 | \$ 434,631 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,232,758 | \$ 2,380,674 | \$ 852,084 | 35.8% |
| Operating Expenses: | | | | | | | | | | | | | | | | |
| Employee Related Expense | \$ 155,025 | \$ 147,885 | \$ 170,978 | \$ 137,770 | \$ 138,406 | \$ 134,906 | | | | | | | \$ 884,970 | \$ 1,215,195 | \$ (330,225) | -27.2% |
| Professional Services | 45,724 | 60,685 | 89,585 | 75,798 | 81,641 | 64,762 | | | | | | | 418,195 | 941,518 | (523,323) | -55.6% |
| Occupancy Costs | 14,105 | 13,292 | 17,476 | 11,994 | 16,652 | 14,748 | | | | | | | 88,267 | 102,875 | (14,608) | -14.2% |
| General & Administrative | 28,385 | 29,354 | 26,935 | 26,112 | 25,458 | 37,602 | | | | | | | 173,846 | 202,718 | (28,872) | -14.2% |
| Depreciation and Amortization | 2,180 | 2,153 | 1,504 | 1,504 | 1,504 | 1,504 | | | | | | | 10,349 | 12,500 | (2,151) | -17.2% |
| Total Operating Expense | \$ 245,419 | \$ 253,369 | \$ 306,478 | \$ 253,178 | \$ 263,661 | \$ 253,522 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,575,627 | \$ 2,474,806 | \$ (899,179) | -36.3% |
| Operating Income(Loss) | \$ 242,441 | \$ 324,377 | \$ 547,961 | \$ 61,825 | \$ 299,418 | \$ 181,109 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,657,131 | \$ (94,132) | \$ 1,751,263 | 1860.4% |
| Nonoperating Revenues (Expenses): | | | | | | | | | | | | | | | | |
| Miscellaneous Non-Opertg Rev/(Exp) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (750) | \$ 750 | -100.0% |
| Bad Debt Adjustments (Expense) | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,000 | (5,000) | -100.0% |
| Interest and Investment Income* | 15,017 | 21,911 | 123,568 | 15,493 | 17,776 | 21,022 | | | | | | | 214,787 | 156,937 | 57,850 | 36.9% |
| Realized Gain (Loss) on Sale of Invests | (2,890) | (298) | (626) | (105) | (317) | (230) | | | | | | | (4,466) | 3,105 | (7,571) | -243.8% |
| Net Appreciation (Depr) in FV of Invests | (14,294) | (20,518) | 3,005 | (7,744) | (26,990) | 2,534 | | | | | | | (64,007) | (59,719) | (4,288) | 7.2% |
| Total Nonoperating Rev (Exp) | \$ (2,167) | \$ 1,095 | \$ 125,947 | \$ 7,644 | \$ (9,531) | \$ 23,326 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 146,314 | \$ 104,573 | \$ 41,741 | 39.9% |
| Net Income (Loss) Before Transfers | \$ 240,274 | \$ 325,472 | \$ 673,908 | \$ 69,469 | \$ 289,887 | \$ 204,435 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,803,445 | \$ 10,441 | \$ 1,793,004 | 17172.7% |
| Transfers: | | | | | | | | | | | | | | | | |
| Transfers in from other funds | \$ 107,795 | \$ 1,502,594 | \$ 3,030,647 | \$ 6,405 | \$ 828,836 | \$ 227,196 | | | | | | | \$ 5,703,473 | \$ - | \$ - | 0.0% |
| Transfers out to other funds | (107,795) | (1,502,594) | (3,030,647) | (6,405) | (228,358) | (227,164) | | | | | | | (5,102,963) | - | - | 0.0% |
| Total Transfers In (Out) | \$ - | \$ - | \$ - | \$ - | \$ 600,478 | \$ 32 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 600,510 | \$ - | \$ - | 0.0% |
| Net Income (Loss) | \$ 240,274 | \$ 325,472 | \$ 673,908 | \$ 69,469 | \$ 890,365 | \$ 204,467 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,403,955 | \$ 10,441 | \$ 2,393,514 | 22924.2% |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
FOR FISCAL YEAR 2017 AS OF DECEMBER 31, 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 | \$ 2,438,120 | \$ - | \$ - | \$ - | \$ 2,438,120 | \$ - | \$ 2,438,120 | \$ - |
| Annual Fees | 160,327 | - | - | - | 160,327 | - | 160,327 | - |
| Administrative Service Fees | 181,000 | - | - | - | 181,000 | - | 181,000 | - |
| Application Fees | 21,600 | - | - | - | 21,600 | - | 21,600 | - |
| Miscellaneous Fees | 5,184 | 209,647 | - | - | 214,831 | - | 214,831 | - |
| Interest Income-Loans | 416,272 | 7,606 | - | 17,227 | 441,105 | 6,665,432 | 7,106,537 | - |
| Other Revenue | 10,255 | - | - | 1,107 | 11,362 | - | 11,362 | - |
| Total Operating Revenue: | \$ 3,232,758 | \$ 217,253 | \$ - | \$ 18,334 | \$ 3,468,345 | \$ 6,665,432 | \$ 10,133,777 | \$ - |
| Operating Expenses: | | | | | | | | |
| Employee Related Expense | \$ 884,970 | \$ - | \$ - | \$ - | \$ 884,970 | \$ - | \$ 884,970 | \$ - |
| Professional Services | 418,195 | 20 | 12 | 2,463 | 420,690 | - | 420,690 | - |
| Occupancy Costs | 88,267 | - | - | - | 88,267 | - | 88,267 | - |
| General & Administrative | 173,846 | - | - | 36 | 173,882 | - | 173,882 | - |
| Interest Expense | - | - | - | 1,545 | 1,545 | 7,164,283 | 7,165,828 | - |
| Depreciation and Amortization | 10,349 | - | - | - | 10,349 | - | 10,349 | - |
| Total Operating Expense | \$ 1,575,627 | \$ 20 | \$ 12 | \$ 4,044 | \$ 1,579,703 | \$ 7,164,283 | \$ 8,743,986 | \$ - |
| Operating Income(Loss) | \$ 1,657,131 | \$ 217,233 | \$ (12) | \$ 14,290 | \$ 1,888,642 | \$ (498,851) | \$ 1,389,791 | \$ - |
| Nonoperating Revenues (Expenses): | | | | | | | | |
| Miscellaneous non-opertg rev/(exp) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest and invesment income* | 214,787 | 3,084 | 4,290 | 121,890 | 344,051 | 453,175 | 797,226 | 12 |
| Realized Gain (Loss) on sale of investment* | (4,466) | - | - | (1,489) | (5,955) | (52,221) | (58,176) | - |
| Net Appreciation (Depr) in fair value of investments* | (64,007) | 482 | 615 | (64,176) | (127,086) | 97,897 | (29,189) | - |
| Total Nonoperating Revenues (Expenses) | \$ 146,314 | \$ 3,566 | \$ 4,905 | \$ 56,225 | \$ 211,010 | \$ 498,851 | \$ 709,861 | \$ 12 |
| Net Income (Loss) Before Transfers | \$ 1,803,445 | \$ 220,799 | \$ 4,893 | \$ 70,515 | \$ 2,099,652 | \$ - | \$ 2,099,652 | \$ 12 |
| Transfers: | | | | | | | | |
| Transfers in from other funds | \$ 5,703,473 | \$ - | \$ - | \$ - | \$ 5,703,473 | \$ - | \$ 5,703,473 | \$ - |
| Transfers out to other funds | (5,102,963) | - | - | (600,509) | (5,703,472) | - | (5,703,472) | - |
| Total Transfers In (Out) | \$ 600,510 | \$ - | \$ - | \$ (600,509) | \$ 1 | \$ - | \$ 1 | \$ - |
| Net Income (Loss) | \$ 2,403,955 | \$ 220,799 | \$ 4,893 | \$ (529,994) | \$ 2,099,653 | \$ - | \$ 2,099,653 | \$ 12 |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
December 31, 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 | \$ 5,593,174 | \$ - | \$ - | \$ 11,480 | \$ 5,604,654 | \$ - | \$ 5,604,654 | \$ - |
| Investments | 27,262,405 | - | - | 1,058,822 | 28,321,227 | - | 28,321,227 | - |
| Accounts receivable, Net | 117,364 | - | - | - | 117,364 | - | 117,364 | - |
| Loans receivables, Net | 4,686 | - | - | - | 4,686 | - | 4,686 | - |
| Accrued interest receivable | 661,550 | - | - | 5,555 | 667,105 | - | 667,105 | - |
| Bonds and notes receivable | 573,000 | - | - | - | 573,000 | - | 573,000 | - |
| Due from other funds | 25,619 | - | - | - | 25,619 | - | 25,619 | - |
| Due from other local government agencies | - | - | - | 2,333,795 | 2,333,795 | - | 2,333,795 | - |
| Prepaid Expenses | 158,461 | - | - | - | 158,461 | - | 158,461 | - |
| Total Current Unrestricted Assets | \$ 34,396,259 | \$ - | \$ - | \$ 3,409,652 | \$ 37,805,911 | \$ - | \$ 37,805,911 | \$ - |
| Restricted: | | | | | | | | |
| Cash & Cash Equivalents | \$ - | \$ 580,535 | \$ 12,970 | \$ 2,433,539 | \$ 3,027,044 | \$ 202,577,397 | \$ 205,604,441 | \$ 5,540 |
| Investments | - | 2,122,190 | 2,638,250 | 5,775,067 | 10,535,507 | 339,417,781 | 349,953,288 | - |
| Accrued interest receivable | - | 6,503 | 2,446 | 35,691 | 44,640 | 277,605 | 322,245 | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from primary government | - | - | - | - | - | - | - | - |
| Bonds and notes receivable from State component units | - | - | - | - | - | 243,273 | 243,273 | - |
| Loans receivables, Net | - | 1,796,438 | - | 56,558 | 1,852,996 | - | 1,852,996 | - |
| Total Current Restricted Assets | \$ - | \$ 4,505,666 | \$ 2,653,666 | \$ 8,300,855 | \$ 15,460,187 | \$ 542,516,056 | \$ 557,976,243 | \$ 5,540 |
| Total Current Assets | \$ 34,396,259 | \$ 4,505,666 | \$ 2,653,666 | \$ 11,710,507 | \$ 53,266,098 | \$ 542,516,056 | \$ 595,782,154 | \$ 5,540 |
| Non-current Assets: | | | | | | | | |
| Unrestricted: | | | | | | | | |
| Investments | \$ 5,089,342 | \$ - | \$ - | \$ 785,901 | \$ 5,875,243 | \$ - | \$ 5,875,243 | \$ - |
| Loans receivables, Net | 1,559,304 | - | - | - | 1,559,304 | - | 1,559,304 | - |
| Bonds and notes receivable | 15,457,337 | - | - | - | 15,457,337 | - | 15,457,337 | - |
| Total Noncurrent Unrestricted Assets | \$ 22,105,983 | \$ - | \$ - | \$ 785,901 | \$ 22,891,884 | \$ - | \$ 22,891,884 | \$ - |
| Restricted: | | | | | | | | |
| Cash & Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | 6,544,212 | 6,544,212 | 3,348,755 | 9,892,967 | - |
| Funds in the custody of the Treasurer | - | 20,314 | 11 | 17,988,279 | 18,008,604 | - | 18,008,604 | - |
| Loans receivables, Net | - | 18,261,413 | 1,572,960 | 1,260,235 | 21,094,608 | - | 21,094,608 | - |
| Bonds and notes receivable from primary government | - | - | - | - | - | 152,789,939 | 152,789,939 | - |
| Bonds and notes receivable from State component units | - | - | - | - | - | 30,384,256 | 30,384,256 | - |
| Total Noncurrent Restricted Assets | \$ - | \$ 18,281,727 | \$ 1,572,971 | \$ 25,792,726 | \$ 45,647,424 | \$ 186,522,950 | \$ 232,170,374 | \$ - |
| Capital Assets | | | | | | | | |
| Capital Assets | \$ 802,192 | \$ - | \$ - | \$ - | \$ 802,192 | \$ - | \$ 802,192 | \$ - |
| Accumulated Depreciation | (779,780) | - | - | - | (779,780) | - | (779,780) | - |
| Total Capital Assets | \$ 22,412 | \$ - | \$ - | \$ - | \$ 22,412 | \$ - | \$ 22,412 | \$ - |
| Total Noncurrent Assets | \$ 22,128,395 | \$ 18,281,727 | \$ 1,572,971 | \$ 26,578,627 | \$ 68,561,720 | \$ 186,522,950 | \$ 255,084,670 | \$ - |
| Total Assets | \$ 56,524,654 | \$ 22,787,393 | \$ 4,226,637 | \$ 38,289,134 | \$ 121,827,818 | \$ 729,039,006 | \$ 850,866,824 | \$ 5,540 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | | | |
| Deferred loss on debt refunding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 492,935 | \$ 492,935 | \$ - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 492,935 | \$ 492,935 | \$ - |
| Total Assets & Deferred Inflows of Resources | \$ 56,524,654 | \$ 22,787,393 | \$ 4,226,637 | \$ 38,289,134 | \$ 121,827,818 | \$ 729,531,941 | \$ 851,359,759 | \$ 5,540 |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
December 31, 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 | \$ 23,388 | \$ - | \$ - | \$ - | \$ 23,388 | \$ - | \$ 23,388 | \$ - |
| Accrued liabilities | 63,264 | - | - | - | 63,264 | - | 63,264 | - |
| Due to employees | 117,956 | - | - | - | 117,956 | - | 117,956 | - |
| Due to primary government | 85,001 | - | - | - | 85,001 | - | 85,001 | - |
| Other liabilities | - | - | - | - | - | - | - | 5,528 |
| Unearned revenue, net of accumulated amortization | 67,195 | - | - | - | 67,195 | - | 67,195 | - |
| Total Current Liabilities Payable from Unrestricted Current Assets | \$ 356,804 | \$ - | \$ - | \$ - | \$ 356,804 | \$ - | \$ 356,804 | \$ 5,528 |
| Payable from restricted current assets: | | | | | | | | |
| Accrued interest payable | \$ - | \$ - | \$ - | \$ 258 | \$ 258 | \$ 9,753,131 | \$ 9,753,389 | \$ - |
| Due to other funds | - | - | - | 25,619 | 25,619 | - | 25,619 | - |
| Bonds and notes payable from primary government | - | - | - | - | - | 11,359,358 | 11,359,358 | - |
| Bonds and notes payable from State component units | - | - | - | - | - | 1,530,000 | 1,530,000 | - |
| Current portion of long term debt | - | - | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - | - | - |
| Total Current Liabilities Payable from Restricted Current Assets | \$ - | \$ - | \$ - | \$ 25,877 | \$ 25,877 | \$ 22,642,489 | \$ 22,668,366 | \$ - |
| Total Current Liabilities | \$ 356,804 | \$ - | \$ - | \$ 25,877 | \$ 382,681 | \$ 22,642,489 | \$ 23,025,170 | \$ 5,528 |
| 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 672,731,245 | \$ 672,731,245 | \$ - |
| Bonds and notes payable from State component units | - | - | - | - | - | 34,158,207 | 34,158,207 | - |
| Noncurrent portion of long term debt | - | - | - | 248,512 | 248,512 | - | 248,512 | - |
| Noncurrent loan reserve | - | - | - | 441,869 | 441,869 | - | 441,869 | - |
| Total Noncurrent Liabilities Payable from Restricted Noncurrent | \$ - | \$ - | \$ - | \$ 690,381 | \$ 690,381 | \$ 706,889,452 | \$ 707,579,833 | \$ - |
| Total Noncurrent Liabilities | \$ 585 | \$ - | \$ - | \$ 690,381 | \$ 690,966 | \$ 706,889,452 | \$ 707,580,418 | \$ - |
| Total Liabilities | \$ 357,389 | \$ - | \$ - | \$ 716,258 | \$ 1,073,647 | \$ 729,531,941 | \$ 730,605,588 | \$ 5,528 |
| Net Position: | | | | | | | | |
| Net Investment in Capital Assets | \$ 22,412 | \$ - | \$ - | \$ - | \$ 22,412 | \$ - | \$ 22,412 | \$ - |
| Restricted for Locally Held Agricultural Guarantees | - | - | - | 11,857,383 | 11,857,383 | - | 11,857,383 | - |
| Restricted for Public Safety Loans | - | 22,566,594 | 4,221,744 | - | 26,788,338 | - | 26,788,338 | - |
| Restricted for Agricultural Guarantees and Rural Development Loans | - | - | - | 19,190,729 | 19,190,729 | - | 19,190,729 | - |
| Restricted for Renewable Energy Development | - | - | - | 2,247,513 | 2,247,513 | - | 2,247,513 | - |
| Restricted for Credit Enhancement | - | - | - | 600,000 | 600,000 | - | 600,000 | - |
| Restricted for Low Income Community Investments | - | - | - | 12,225 | 12,225 | - | 12,225 | - |
| Unrestricted | 53,740,898 | - | - | 4,195,021 | 57,935,919 | - | 57,935,919 | - |
| Current Change in Net Position | 2,403,955 | 220,799 | 4,893 | (529,995) | 2,099,652 | - | 2,099,652 | 12 |
| Total Net Position | \$ 56,167,265 | \$ 22,787,393 | \$ 4,226,637 | \$ 37,572,876 | \$ 120,754,171 | \$ - | \$ 120,754,171 | \$ 12 |
| Total Liabilities & Net Position | \$ 56,524,654 | \$ 22,787,393 | \$ 4,226,637 | \$ 38,289,134 | \$ 121,827,818 | \$ - | \$ 851,359,759 | \$ 5,540 |



STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF January 4, 2017

As of December 1, 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. | 12/21/2015 | \$9,225.92 |
| | Payment received by IFA | <u>(\$9,225.92)</u> |
| | Balance due from Cosgrove Distributors | \$0.00 |
| Grayboy Building Maintenance | 12/16/2015 | \$15,790.36 |
| | Payment received by IFA | <u>(\$15,789.33)</u> |
| | Balance due from Grayboy Building Maint. | \$1.03 |
| M. J. Kellner Co. Inc. | 12/28/2015 | \$1,806,912.20 |
| M. J. Kellner Co. Inc. | 3/31/2016 | 1,929,224.10 |
| | Payment received by IFA | <u>(\$3,668,037.07)</u> |
| | Balance due from M.J. Kellner | \$68,099.23 |
| Smith Maintenance Company | 11/25/2015 | \$251,665.26 |
| Smith Maintenance Company | 12/29/2015 | 125,832.63 |
| Smith Maintenance Company | 2/10/2016 | 129,811.11 |
| Smith Maintenance Company | 3/21/2016 | 151,826.83 |
| Smith Maintenance Company | 4/14/2016 | 151,826.83 |
| Smith Maintenance Company | 5/19/2016 | 151,826.83 |
| Smith Maintenance Company | 6/23/2016 | 107,795.38 |
| Smith Maintenance Company | 7/21/2016 | 107,795.38 |
| | | <u>\$1,178,380.25</u> |
| | Payment received by IFA | <u>(1,178,380.25)</u> |
| | Balance due from Smith Maintenance | \$0.00 |
| Sysco St. Louis LLC | 12/16/2015 | \$32,418.85 |
| Total State of Illinois Assigned/Purchased Receivables | | \$4,971,951.65 |
| Total State of Illinois Assigned/Purchased Receivables Payment Received | | \$4,871,432.54 |
| Balance due from State of Illinois Assigned/Purchased Receivables | | <u>\$100,519.11</u> |

**LOCAL GOVERNMENT LISTING
OUTSTANDING BALANCE AS OF
December 31, 2016**

| Borrower Name | Outstanding Balance |
|---|----------------------------|
| Adams County Water District #1 | 145,536.70 |
| AVOCA Drainage District | 520,000.00 |
| Central Macoupin Co. Rural Water District | 235,000.00 |
| Cissna Park Fire Protection District | 310,000.00 |
| City of Aledo | 470,000.00 |
| City of Benton | 135,000.00 |
| City of Bunker Hill | 325,000.00 |
| City of Bunker Hill | 170,000.00 |
| City of Girard | 645,000.00 |
| City of Herrin | 285,000.00 |
| City of Petersburg | 130,000.00 |
| City of Pittsfield | 70,400.00 |
| City of Shawneetown | 74,800.00 |
| City of Sumner | 45,000.00 |
| City of Sumner | 29,600.00 |
| City of Warsaw | 290,000.00 |
| City of Yorkville | 945,000.00 |
| Curran Gardner Township Water | 2,422,000.00 |
| Momence Park District | 85,000.00 |
| Mt. Zion Fire Protection District | 660,000.00 |
| Nebo Water System | 20,000.00 |
| Piasa Township Sewer District | 30,000.00 |
| Pike County Water District | 155,000.00 |
| Riverton Area Fire Protec Dist | 720,000.00 |
| Town of Matherville | 150,000.00 |
| Village of Annawan | 200,000.00 |
| Village of Blue Mound | 30,000.00 |
| Village of Blue Mound | 40,000.00 |
| Village of Brownstown | 45,000.00 |
| Village of Brownstown | 94,700.00 |
| Village of Campus | 30,000.00 |
| Village of Carbon Hill | 105,000.00 |

**LOCAL GOVERNMENT LISTING
OUTSTANDING BALANCE AS OF
December 31, 2016**

| Borrower Name | Outstanding Balance |
|---------------------------------|----------------------------|
| Village of Cooksville | 305,000.00 |
| Village of Cowden | 240,000.00 |
| Village of Farmersville | 519,999.99 |
| Village of Green Valley | 65,000.00 |
| Village of Harmon | 265,000.00 |
| Village of Hopkins Park | 40,000.00 |
| Village of Iuka | 135,000.00 |
| Village of Junction City | 35,000.00 |
| Village of Kane | 560,000.00 |
| Village of Kingston Mines | 125,000.00 |
| Village of Maestown | 125,000.00 |
| Village of Magnolia | 210,000.00 |
| Village of Malden | 39,500.00 |
| Village of Malta | 14,700.00 |
| Village of Nebo Sewer System | 20,000.00 |
| Village of Niantic | 19,800.00 |
| Village of Palmyra | 123,000.00 |
| Village of Pamana | 30,000.00 |
| Village of Pierron | 230,300.00 |
| Village of Rutland | 20,000.00 |
| Village of Sheffield | 120,800.00 |
| Village of Steward | 29,600.00 |
| Village of Stockton | 64,200.00 |
| Village of Taylor Springs | 65,000.00 |
| Village of Thomson | 2,396,400.00 |
| Village of Waynesville | 420,000.00 |
| Village of Williamsville | 105,000.00 |
| Winthrop Harbor School District | 95,000.00 |
| Total Outstanding | 16,030,336.69 |
| Total Borrowers | 60.00 |

FIRE TRUCK REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
December 31, 2016

| Borrower Name | Outstanding Balance |
|---|----------------------------|
| Alhambra Community Fire Protection Dist | 68,738.00 |
| Allin Fire Protection District | 80,000.00 |
| Annawan Alba FPD | 332,500.00 |
| Apple River Fire Department | 162,500.00 |
| Arcola Fire Protection District | 105,000.00 |
| Beardstown Fire Department | 97,528.47 |
| Beaverville Fire Protection District | 37,000.10 |
| Beckemeyer-Wade Fire Protection District | 23,400.00 |
| Bellmont Volunteer Fire Department | 18,484.40 |
| Bethany Fire Protection District | 332,500.00 |
| Bishop Hill Community Fire Protection Dis | 146,666.68 |
| Broadlands-Longview Fire Protection Dist | 65,000.00 |
| Brocton Fire District | 54,867.75 |
| Browns Fire Department | 17,640.55 |
| Bunker Hill Fire Protection District | 162,246.00 |
| Camargo Countryside Fire Protection Dist | 21,000.00 |
| Camp Point Fire Protection District | 285,000.00 |
| Catlin Fire Protection District | 36,625.82 |
| Chadwick Fire Protection District | 162,500.00 |
| Chapin Village of Fire Department | 80,000.00 |
| Charleston Fire & Rescue | 50,000.02 |
| Chatsworth Fire Protection | 105,301.56 |
| Chester Fire Department | 54,000.00 |
| Chrisman Fire Protection District | 162,500.00 |
| Cissna Park Fire Protection District | 92,074.05 |
| City of Carmi | 308,750.00 |
| City of Chillicothe | 162,500.00 |
| City of DeKalb Fire Department | 183,333.32 |
| City of Fairfield | 350,000.00 |
| City of Johnston City | 162,500.00 |
| City of Lincoln | 137,500.00 |
| City of Mendota Fire Protection District | 11,583.60 |
| City of Pittsfield, C/O Fire Departement | 123,750.00 |
| City of Quincy Fire Department | 162,500.00 |
| City of Savanna | 109,783.85 |
| City of Urbana | 332,500.00 |

FIRE TRUCK REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
December 31, 2016

| Borrower Name | Outstanding Balance |
|--|----------------------------|
| City of Virginia | 143,000.00 |
| City of Wood River | 137,500.00 |
| Clover Township Fire Protect District | 75,000.00 |
| Cordova Fire Protection District | 297,500.00 |
| Countyside FPD | 133,184.32 |
| Crescent-Iroquois Fire Protection District | 81,750.00 |
| Cuba Fire Protection District | 170,250.00 |
| Deer Creek Fire Protection District | 56,500.00 |
| Des Plaines Fire Department | 162,500.00 |
| Dieterich Fire Protection District | 16,400.00 |
| East Alton Fire Department | 332,500.00 |
| East Dubuque Fire Department | 14,396.28 |
| Fairbury Fire Department | 73,586.80 |
| Fairfield Rural Fire Protection District | 125,350.00 |
| Fairview Fire Protection District | 86,927.25 |
| First Fire FPD of Antioch Town | 268,800.00 |
| Flanagan-Graymont Fire Protection | 100,000.00 |
| Garden Homes Fire Protection District | 98,000.00 |
| Germantown Rural Fire Protection District | 23,022.33 |
| Gifford Fire Protection District | 49,022.50 |
| Godfrey Fire Protection District | 162,500.00 |
| Green Valley Fire Protection District | 23,722.20 |
| Green Valley Fire Protection District | 9,997.72 |
| Hebron-Alden-Greenwood FPD | 270,000.00 |
| Hecker Fire Protection District | 162,500.00 |
| Hutton Fire Protection District | 87,120.00 |
| Iuka Fire Protection District | 38,000.00 |
| Kankakee Fire Department | 80,000.00 |
| Kankakee Township FPD | 200,000.00 |
| Kenney Fire Protection District | 52,250.00 |
| Kewanee Fire Department | 332,500.00 |
| Lake Egypt Fire Protection District | 332,500.00 |
| Lamard Township Fire Protection District | 42,000.00 |
| Lansing Fire District | 88,000.00 |
| Latham Fire Protection District | 76,000.00 |
| Lee Fire Protection District | 79,600.00 |

FIRE TRUCK REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
December 31, 2016

| Borrower Name | Outstanding Balance |
|---|----------------------------|
| Leland Fire Protection District | 104,547.65 |
| Lenore Fire Department | 65,079.62 |
| LeRoy Community Fire Protection District | 45,000.00 |
| Lewiston Fire District | 56,000.00 |
| Lexington Community Fire Protection Dist | 129,965.00 |
| Lovington Fire Protection District | 156,000.00 |
| Manhattan FPD | 75,000.00 |
| Marengo Fire Protection District | 165,870.00 |
| Marissa Fire Protection District | 332,500.00 |
| Maroa Countryside Fire Protection Departn | 51,980.80 |
| Mendon Fire Protection Department | 192,000.00 |
| Mendota Fire Protection District | 50,416.39 |
| Merrionette Park, Village | 10,000.00 |
| Middletown FPD | 46,833.34 |
| Milledgeville Fire District | 232,000.00 |
| Millstadt FPD | 162,500.00 |
| Mount Olive Fire Protection District | 229,166.67 |
| Mt. Hope Funks Grove Fire Protection | 120,000.00 |
| New Holland Fire Protection District | 43,598.50 |
| New Lenox FPD | 162,500.00 |
| Newark Fire Protection Department | 30,000.00 |
| Newport Fire Protection District | 332,500.00 |
| Niantic FPD | 147,058.48 |
| Nokomis Area FPD | 142,401.09 |
| North Pike FPD | 68,250.00 |
| Northern Piatt Fire Protection District | 202,500.00 |
| Octavia FPD | 13,330.03 |
| Onley Fire District | 332,500.00 |
| Orangeville Fire Protection District | 332,500.00 |
| Palatine Rural FPD | 162,500.00 |
| Papineau fire Protection District | 29,695.96 |
| Patoka Fire Protection District | 80,580.00 |
| Peoria Height Fire Department | 112,500.00 |
| Peotone FPD | 162,500.00 |
| Pesotum Fire Protection District | 92,075.20 |
| Pocahontas - Ripley FPD | 144,602.25 |

FIRE TRUCK REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
December 31, 2016

| Borrower Name | Outstanding Balance |
|---|----------------------------|
| Prospect Heights Fire Protection District | 98,571.44 |
| Rankin Fire Protection District | 81,250.00 |
| Robinson, City of Fire Department | 78,129.60 |
| Rochester FDP | 118,697.45 |
| Rossville Fire Protection District | 56,000.00 |
| Sadorus Fire Protection District | 97,500.00 |
| Sandwich Community FPD | 162,500.00 |
| Sauk Village Fire Department | 332,500.00 |
| Savanna Fire Department | 120,741.94 |
| Serena Community Fire Protection District | 315,000.00 |
| Sheffield Fire Protection District | 80,000.00 |
| Shelbyville Fire Protection District | 123,366.60 |
| Sherman Fire Protection Department | 117,000.00 |
| South Roxana Fire Protection District | 198,000.00 |
| Spring Creek Fire Protection District | 84,424.00 |
| Spring Grove Fire Protection District | 162,500.00 |
| Strasburg Fire Protection District | 55,858.40 |
| Sublette Fire Protection District | 82,946.25 |
| Sullivan FPD | 75,000.00 |
| Table Grove Fire Department | 26,375.00 |
| Thomasboro FPD | 115,384.64 |
| Toluca -Rutland Fire Protection District | 278,350.00 |
| Union Fire Protection Department | 164,000.00 |
| Unit #7 Fire Protection Department | 120,000.00 |
| Ursa Fire Protection District | 113,750.00 |
| Valmeyer FPD | 123,500.00 |
| Vienna Fire Department | 79,600.00 |
| Village of Carrier Mills Fire Department | 60,000.00 |
| Village of Lincolnwood | 162,500.00 |
| Village of Percy Fire Department | 30,000.00 |
| Village of Port Byron | 137,500.00 |
| Village of Robbins Fire Protection Dept | 112,500.00 |
| Village of Roxana Fire Department | 62,500.00 |
| Village of Western Springs | 315,000.00 |
| Village of Willmette Fire Protection Depart | 200,000.00 |
| Waltonville Fire Protection District | 20,000.00 |

FIRE TRUCK REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
December 31, 2016

| Borrower Name | Outstanding Balance |
|--|----------------------------|
| Warren Fire Department | 88,165.60 |
| Wauconda FPD | 162,500.00 |
| Wayne Fire Protection Distric, #1 | 30,000.00 |
| West Brooklyn Fire Protection District | 200,000.00 |
| Westfield Township Fire Protection Distric | 168,235.30 |
| White Hall Fire Department | 100,372.01 |
| Williamson County Fire District | 90,000.00 |
| Williamsville Fire Protection District | 162,500.00 |
| Win-Bur-Sew Fire Protection Department | 200,000.00 |
| WoodstockFire/Rescue Dist | 150,000.00 |
| Worth Fire Department | 49,028.40 |
| Total Outstanding \$ | 20,057,851.18 |
| Total Borrowers | 155 |

**AMBULANCE REVOLVING LOAN FUND
OUTSTANDING BALANCE AS OF
December 31, 2016**

| Borrower Name | Outstanding Balance |
|--|----------------------------|
| Annawan Alba FPD | 100,000.00 |
| City of East Dubuque | 100,000.00 |
| City Of Kewanee | 30,000.00 |
| City of North Chicago Fire Department | 100,000.00 |
| Eastern McLean County Ambulance Assn | 100,000.00 |
| Fulton Fire Protection District | 30,000.00 |
| Gardner Volunteer Fire Department | 30,000.00 |
| Gillespie-Benld Area Ambulance Service | 100,000.00 |
| Lake Egypt FPD(Ambul) | 100,000.00 |
| Marengo Rescue Squad | 100,000.00 |
| Menard County Emergency Medical Svcs | 30,000.00 |
| Palos FPD | 100,000.00 |
| Pleasantview FPD | 100,000.00 |
| Sandoval Fire Protection District | 100,000.00 |
| Sugar Creek Ambulance Service | 100,000.00 |
| Sullivan FPD | 100,000.00 |
| Village of LaGrange Park FD | 12,500.00 |
| Village of Lyons FPD | 100,000.00 |
| Village of North Riverside Fire Department | 12,500.00 |
| Win-Bir-Sew Fire Protection District | 27,960.00 |
| Wonder Lake FPD | 100,000.00 |
| Total Outstanding | \$ 1,572,960.00 |
| Total Borrowers | 21 |

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
LISTING OF
LOAN AWARDS
FROM SEPTEMBER 1, 2016 THROUGH JANUARY 4, 2017

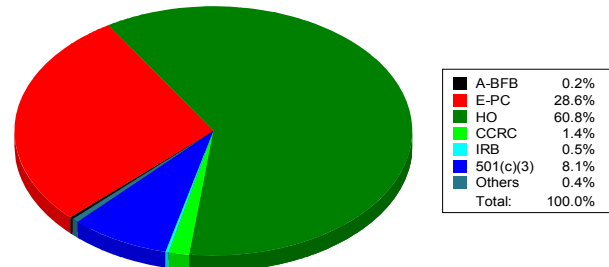
| Project Number | Borrower Name | County | Loan Date | Loan Amount |
|-----------------------|---|---------------|------------------------|-----------------------|
| L174840 | Salt Creek S.D. | DuPage | 9/6/2016 | 8,135,738.00 |
| L175054 | Wheaton S.D. | DuPage | 10/3/2016 | 811,685.00 |
| L175214 | Rock River Water Reclamation District | Winnebago | 10/4/2016 | 18,628,750.96 |
| L175372 | Metropolitan Water Reclamation District of Grea | Cook | 10/4/2016 | 1,442,000.00 |
| L175107 | Evanston | Cook | 10/11/2016 | 1,634,816.00 |
| L175349 | Aviston | Clinton | 10/11/2016 | 2,036,164.78 |
| L175231 | Carmi | White | 10/18/2016 | 1,500,000.00 |
| L175371 | Metropolitan Water Reclamation District of Grea | Cook | 10/18/2016 | 1,497,032.90 |
| L175377 | Fox Lake | Lake | 10/18/2016 | 2,334,494.64 |
| L175380 | Buckley | Iroquois | 10/18/2016 | 235,063.84 |
| L175323 | Chicago | Cook | 10/21/2016 | 8,112,157.81 |
| L174972 | Taylorville | Christian | 11/1/2016 | 2,860,474.68 |
| L175123 | Taylorville | Christian | 11/1/2016 | 1,017,000.00 |
| L174555 | Metropolitan Water Reclamation District of Grea | Cook | 11/20/2016 | 150,545,633.36 |
| L175244 | Benton | Franklin | 11/21/2016 | 13,424,136.00 |
| L174906 | Trenton | Clinton | 11/22/2016 | 5,596,032.00 |
| L175353 | Fox River Water Reclamation District | Kane | 12/7/2016 | 12,925,390.00 |
| L175384 | Chicago | Cook | 12/7/2016 | 22,326,600.00 |
| L175035 | Collinsville | Madison | 12/12/2016 | 18,505,957.30 |
| | | | Total | 273,569,127.27 |
| | | | Total Borrowers | 19 |

Bonds Issued - Fiscal Year Comparison for the Period Ending December 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 |
| <u>45</u> | | <u>\$ 2,511,314,817</u> |

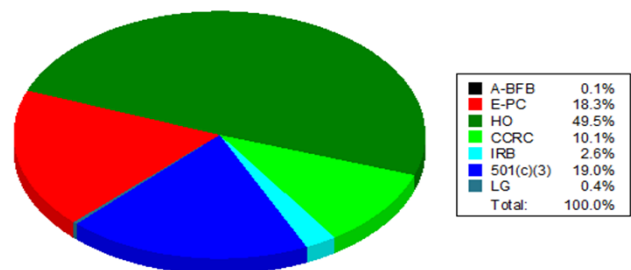
Bonds Issued in Fiscal Year 2015



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 |
| <u>54</u> | | <u>\$3,779,532,495</u> |

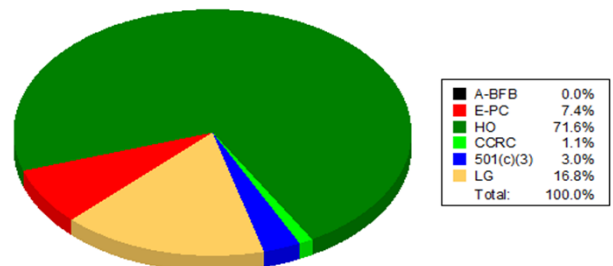
Bonds Issued in Fiscal Year 2016



Fiscal Year 2017

| # | Market Sector | Principal Issued |
|-----------|-------------------------------|------------------------|
| 6 | Agriculture - Beginner Farmer | 944,400 |
| 4 | Education | 221,755,000 |
| 10 | Healthcare - Hospital | 2,132,122,000 |
| 1 | Healthcare - CCRC | 32,500,000 |
| 4 | 501(c)(3) Not-for-Profit | 90,810,000 |
| 1 | Local Government | 500,000,000 |
| <u>26</u> | | <u>\$2,978,131,400</u> |

Bonds Issued in Fiscal Year 2017



Bond Issuance Analysis

The Authority issued \$412,925,000 in conduit debt during the month of December, 2016. This is 93% higher than December, 2015 at \$30,085,925. This is also 9% lower than the previous month's issuance at \$453,437,250. Total issuance for FY 2017 is \$2,978,131,400. This is 37% higher than the same period as of December 31, 2015 at \$1,885,296,775. The IFA issued four revenue refunding bonds during the month of December, 2016. These bonds are 14% of the total issuance for the FY 2017.

Bonds Issued and Outstanding as of December 31, 2016

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

| <u>Bond Issue</u> | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u> | <u>Bonds Refunded</u> |
|---|--------------------|----------------------------------|--------------------------------|--------------------------------|
| A-BFB Beginning Farmer Bonds | 07/01/2016 | Variable | 944,400 | 0 |
| 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 | Fixed at Schedule | 13,560,000 | 0 |
| E-PC Mount Carmel High School | 08/01/2016 | Variable | 22,000,000 | 13,200,000 |
| HO The Newman Foundation | 08/02/2016 | Variable | 32,667,000 | 32,667,000 |
| HO Presence Health | 08/16/2016 | Fixed at Schedule | 1,000,000,000 | 1,000,000,000 |
| CCRC Smith Village | 08/17/2016 | Variable | 32,500,000 | 32,500,000 |
| 501(c)(3) The Art Institute of Chicago | 08/25/2016 | Fixed at Schedule | 37,250,000 | 37,250,000 |
| E-PC DePaul University | 09/01/2016 | Fixed at Schedule | 122,780,000 | 115,000,000 |
| LG Clean Water Initiative | 09/12/2016 | Fixed at Schedule | 500,000,000 | 0 |
| HO OSF HealthCare System | 09/27/2016 | Fixed at Schedule | 114,375,000 | 100,710,000 |
| HO Riverside Medical Center | 09/27/2016 | Fixed at Schedule | 79,545,000 | 79,545,000 |
| HO The Moorings of Arlington Heights, LLC | 09/30/2016 | Fixed at Schedule | 69,615,000 | 0 |
| 501(c)(3) Museum of Contemporary Art Chicago | 10/27/2016 | Variable | 30,000,000 | 0 |
| HO The University of Chicago Medical Center | 11/02/2016 | Fixed at Schedule | 187,320,000 | 187,320,000 |
| HO The Carle Foundation Series, 2016A | 11/08/2016 | Variable | 184,385,000 | 56,000,000 |
| HO The Carle Foundation Series, 2016B Taxable | 11/08/2016 | Variable | 50,000,000 | 0 |
| HO Ness HealthCare NFP | 11/10/2016 | Fixed at Schedule | 31,490,000 | 0 |
| HO Rehabilitation Institute of Chicago | 12/01/2016 | Variable | 275,000,000 | 273,000,000 |
| HO Swedish Covenant Hospital Series 2016A | 12/12/2016 | Fixed at Schedule | 107,725,000 | 49,525,000 |
| E-PC Elmhurst College | 12/12/2016 | Variable | 20,200,000 | 20,000,000 |
| 501(c)(3) Lake Forest Open Lands Association | 12/22/2016 | Fixed at Schedule | 10,000,000 | 10,000,000 |
| Total Bonds Issued as of December 31, 2016 | | | <u>\$ 2,978,131,400</u> | <u>\$ 2,063,492,000</u> |

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

Beginner Farmer Bonds Funded between July 01, 2016 and December 31, 2016

| <u>Date Funded</u> | <u>Initial</u> | <u>Loan Proceeds</u> | <u>Acres</u> | <u>County</u> |
|------------------------------------|----------------------|----------------------|---------------|---------------|
| | <u>Interest Rate</u> | | | |
| 07/29/2016 | 3.25 | 122,400 | 40.00 | Jasper |
| 09/08/2016 | 3.00 | 83,750 | 45.00 | Richland |
| 09/08/2016 | 3.25 | 401,000 | 45.00 | Edgar |
| 09/15/2016 | 3.25 | 47,500 | 40.00 | Clay |
| 09/15/2016 | 3.25 | 47,500 | 40.00 | Clay |
| 11/01/2016 | 3.25 | 242,250 | 99.55 | Richland |
| Total Beginner Farmer Bonds Issued | | <u>\$ 944,400</u> | <u>309.55</u> | |

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^(a)

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

Section I (a)

| Section I (a) | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|---|-------------------|---------------------|--------------------|
| | June 30, 2016 | December 31, 2016 | | |
| Illinois Finance Authority "IFA" ^[b] | | | | |
| Agriculture | \$ 48,260,274 | \$ 49,204,674 | | |
| Education | 4,445,960,359 | 4,404,434,234 | | |
| Healthcare | 14,405,422,474 | 15,014,700,226 | | |
| Industrial Development [includes Recovery Zone/Midwest Disaster] | 777,192,893 | 757,520,466 | | |
| Local Government | 315,810,000 | 801,490,000 | | |
| Multifamily/Senior Housing | 157,262,660 | 154,747,636 | | |
| 501(c)(3) Not-for Profits | 1,565,340,114 | 1,579,249,102 | | |
| Exempt Facilities Bonds | 149,915,000 | 149,915,000 | | |
| 1 | Total IFA Principal Outstanding | \$ 21,865,163,774 | \$ 22,911,261,339 | |
| Illinois Development Finance Authority "IDFA" ^[b] | | | | |
| Education | 496,388 | 496,388 | | |
| Healthcare | 77,000,000 | 77,000,000 | | |
| Industrial Development | 205,383,747 | 196,173,244 | | |
| Local Government | 263,060,103 | 228,682,364 | | |
| Multifamily/Senior Housing | 83,679,117 | 82,489,117 | | |
| 501(c)(3) Not-for Profits | 607,654,373 | 557,458,955 | | |
| | Exempt Facilities Bonds | | | |
| | Total IDFA Principal Outstanding | \$ 1,237,273,728 | \$ 1,142,300,067 | |
| Illinois Rural Bond Bank "IRBB" ^[b] | | | | |
| | Total IRBB Principal Outstanding | \$ - | \$ - | |
| | Illinois Health Facilities Authority "IHFA" | \$ 617,984,999 | \$ 305,930,000 | |
| | Illinois Educational Facilities Authority "IEFA" | \$ 459,193,000 | \$ 427,197,000 | |
| | Illinois Farm Development Authority "IFDA" ^[f] | \$ 13,436,353 | \$ 13,436,353 | |

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

Section I (b)

| Section I (b) | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|-----------------------|-------------------|---------------------|--------------------|
| | June 30, 2016 | December 31, 2016 | | |
| 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 | 33,425,000 | | |
| Total General Moral Obligations | \$ 34,885,000 | \$ 33,425,000 | \$ 150,000,000 | \$ 116,575,000 |
| * All the Local Government bonds were defeased as of August 1, 2014. | | | | |
| Financially Distressed Cities Moral Obligations | | | | |
| Illinois Finance Authority Act [20 ILCS 3501/825-60] | | | | |
| Issued through IFA | \$ - | \$ - | | |
| Issued through IDFA | - | - | | |
| Total Financially Distressed Cities | \$ - | \$ - | \$ 50,000,000 | \$ 50,000,000 |
| State Component Unit Bonds ^(c) | | | | |
| Issued through IDFA ⁽¹⁾ | - | - | | |
| Issued through IFA ⁽¹⁾ | 99,938,207 | 589,668,025 | | |
| Total State Component Unit Bonds | \$ 99,938,207 | \$ 589,668,025 | | |

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

Section I (c)

| | Principal Outstanding | | Remaining MDAB Volume Cap |
|--|-----------------------|----------------------|---------------------------|
| | June 30, 2016 | December 31, 2016 | |
| Midwestern Disaster Area Bonds [Flood Relief] | \$ 64,440,918 | \$ 15,397,046 | N/A |

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

Section I (d)

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

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

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

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section II

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|-----------------------|-----------------------|-------------------|---------------------|--------------------|
| | June 30, 2016 | December 31, 2016 | | |
| Illinois Power Agency | \$ - | \$ - | \$ 4,000,000,000 | \$ 4,000,000,000 |

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

Section III

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|-----------------------|-------------------|---------------------------------|--------------------|
| | June 30, 2016 | December 31, 2016 | | |
| Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects | \$ - | \$ - | \$ 3,000,000,000 ^[d] | \$ 3,000,000,000 |

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

Section IV

| | Principal Outstanding | | Program Limitations | Remaining Capacity | State Exposure |
|--|-----------------------|-------------------|-------------------------------|--------------------|----------------|
| | June 30, 2016 | December 31, 2016 | | | |
| Agri Debt Guarantees [Restructuring Existing Debt] Fund # 994 - Fund Balance \$10,081,984 | \$ 6,824,437 | \$ 6,898,208 | \$ 160,000,000 | \$ 153,101,792 | \$ 5,863,477 |
| AG Loan Guarantee Program Fund # 205 - Fund Balance \$7,906,295 | \$ 7,111,930 | \$ 7,540,605 | \$ 225,000,000 ^[e] | \$ 217,459,395 | \$ 6,409,514 |
| Agri Industry Loan Guarantee Program | \$ 3,693,098 | \$ 3,277,861 | | | 2,786,182 |
| Farm Purchase Guarantee Program | 886,805 | 878,248 | | | 746,511 |
| Specialized Livestock Guarantee Program | 1,681,563 | 2,547,477 | | | 2,165,356 |
| Young Farmer Loan Guarantee Program | 850,464 | 837,019 | | | 711,466 |
| Total State Guarantees | \$ 13,936,368 | \$ 14,438,813 | \$ 385,000,000 | \$ 370,561,187 | \$ 12,272,991 |

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

Section V

| | | Principal Outstanding | | Cash and Investment Balance |
|-----|--|-----------------------|-------------------|-----------------------------|
| | | June 30, 2016 | December 31, 2016 | |
| 132 | Fire Truck Revolving Loan Program Fund # 572 | \$ 21,265,564 | \$ 20,057,851 | \$ 2,723,039 |
| 8 | Ambulance Revolving Loan Program Fund # 334 | \$ 247,280 | \$ 1,572,960 | \$ 2,651,232 |

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

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

Section VI

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|------------------------------|------------------------------|---------------------|--------------------|
| | June 30, 2016 | December 31, 2016 | | |
| Environmental [Large Business] Issued through IFA Issued through IDFA | \$ 15,535,000 110,520,000 | \$ 14,575,000 103,020,000 | | |
| Total Environmental [Large Business] | \$ 126,055,000 | \$ 117,595,000 | \$ 2,425,000,000 | \$ 2,307,405,000 |
| Environmental [Small Business] | \$ - | \$ - | \$ 75,000,000 | \$ 75,000,000 |
| Total Environment Bonds Issued under Act | \$ 126,055,000 | \$ 117,595,000 | \$ 2,500,000,000 | \$ 2,382,405,000 |

Illinois Finance Authority Funds at Risk

Section VII

| | Original Amount | Principal Outstanding | |
|---|-----------------|-----------------------|-------------------|
| | | June 30, 2016 | December 31, 2016 |
| Participation Loans | | | |
| Business & Industry | 23,020,158 | 422,129 | 216,045 |
| Agriculture | 6,079,859 | | |
| Participation Loans excluding Defaults & Allowances | 29,100,017 | 422,129 | 216,045 |
| Plus: Legacy IDFA Loans in Default | | 843,173 | 843,173 |
| Less: Allowance for Doubtful Accounts | | 960,726 | 960,726 |
| Total Participation Loans | | 288,943 | 98,492 |
| Local Government Direct Loans | 1,289,750 | 103,000 | 90,000 |
| Rural Bond Bank Local Government Note Receivable | | 17,179,937 | 16,030,337 |
| FmHA Loans | 963,250 | 185,778 | 170,668 |
| Renewable Energy [RED Fund] | 2,000,000 | 1,206,055 | 1,157,272 |
| Total Loans Outstanding | 34,353,017 | 18,963,713 | 17,546,769 |
| IRBB funds were defeased and transferred into a note receivable with the IFA. | | | |

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

Section VIII

| | Principal Outstanding | | Statutory Debt Limitation | Remaining HELA Debt Limitation |
|---|-----------------------|-------------------|-------------------------------|--------------------------------|
| | June 30, 2016 | December 31, 2016 | | |
| 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

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
January 12, 2017**

| I. CONTRACTS/AMENDMENTS EXECUTED | | | | | |
|---|-----------------------------|---------------------|--|---|--|
| A. Illinois Procurement Code- Small Purchases | Vendor | Initial Term | Estimated Not to Exceed Value | Action | Services Provided |
| | Accounting Principals, Inc. | 12/23/16 - 04/28/17 | \$70,000 | Short term Basic Ordering Agreement. Invitation for Bid selection in process. | Temporary Accounting and Procurement Staffing. |
| | Amalgamated Bank of Chicago | 01/01/17 - 01/31/17 | \$1,677 | Short term Letter Agreement. RFP selection in process. | Custodian safekeeping of assets, cash and securities. |
| | Catalyst Consulting, Inc. | 01/01/17 - 03/31/17 | \$49,900 | Short term Basic Ordering Agreement. RFP to be posted. | Provide personnel as needed to maintain and advise on Agency IT and phone systems. |
| | Mabsco, Inc. | 01/01/17 - 03/31/17 | \$10,000 | Short term Basic Ordering Agreement executed. RFP to be posted. | Service Agency Loan portfolio and Loan Programs. |
| | SHI International Corp. | 11/01/16 - 12/16/18 | \$4,560 | Amendment executed with corrected software description and new termination date. | Enterprise mobile device management software - replaces current end-of-life technology. System provides control over mobile devices. |
| | | | | | |
| B. IFA Exemption for Legal, Financial and other Professional and Artistic Services | ClearArc Capital, Inc. | 12/24/16 - 12/26/18 | \$900,000 | Amendment executed, appending an Amended and Restated Investment Advisory Agreement, reducing pricing and new termination date. | Structure and manage a pooled fixed income investment portfolio. |
| | | | | | |

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
January 12, 2017**

| II. SOLICITATIONS | | | | | |
|---|-------------------------------------|---------------------|--|---|--|
| A. Illinois Procurement Code- Competitive Bids/Proposals | Vendor | Initial Term | Estimated Not to Exceed Value | Action | Services Provided |
| | Amalgamated Bank of Chicago | 3 years | \$60,000 | Request for Proposal completed. Evaluation concluded. Anticipated award late January 2017. | Safekeeping of assets, cash and securities. |
| | TBD. | 3 years | \$TBD | Request for Proposal in process. Anticipated award March 2017. | Provide personnel as needed to maintain and advise on Agency IT and phone systems. |
| | TBD. | 3 years | \$TBD | Request for Proposal in Process. Anticipated award March 2017. | Service Agency Loan portfolio and Loan Programs. |
| | Premier Staffing Source, Inc. | 3 years | N/A | Invitation for Bid completed. Evaluation concluded. Anticipated award late January 2017. | Temporary Accounting and Procurement Staffing. |
| | | | | | |

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
January 12, 2017**

| III. EXPIRING CONTRACTS | | | | | |
|--|-----------------------------|------------------------|--------------------------------------|--|---|
| | Vendor | Expiration Date | Estimated Not to Exceed Value | Action | Services Provided |
| A. Anticipation of Litigation | Jenner & Block LLP | 02/10/17 | \$350,000 | Parties to execute Amendment January 2017. | Evaluation and advice on litigation matters. |
| B. Illinois Procurement Code-Intergovernmental | IDOT | 12/31/16 | \$112,500 | Will not be renewed. | Illinois Department of Transportation – procure and select a rating agency. |
| C. Illinois Procurement Code-Competitive Bids/Proposals | ADP Total Source, Inc. | 05/31/17 | N/A | Create RFP solicitation | Employee Benefits and Payroll Services. |
| | Bank of America-Credit Card | 06/30/17 | N/A | Create RFP solicitation | Credit Card services |
| | Bank of America-Depository | 06/30/17 | N/A | Create RFP solicitation | Bank of America Operating Account. |
| | Mesirow Insurance Services | 06/20/17 | N/A | Create RFP solicitation | Insurance Brokering Services. |
| | | | | | |

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
January 12, 2017**

| III. EXPIRING CONTRACTS (cont'd) | | | | | |
|---|-------------------------------------|------------------------|--------------------------------------|---|--|
| | Vendor | Expiration Date | Estimated Not to Exceed Value | Action | Services Provided |
| A. Illinois Procurement Code-Small Purchases | Iron Mountain | 12/31/16 | \$2,750 | Vendor replaced. Will not be renewed. | Records Management Services - storage and destruction. |
| | Kerber, Eck & Braeckel | 01/24/17 | \$17,300 | Project completed. Will not be renewed. | GASB 72 Accounting and financial reporting services. |
| | First Choice Coffee Services | 02/01/17 | \$699 | TBD | Water filtration annual lease for Chicago facility. |
| | DropBox | 02/18/17 | \$1,670 | TBD | Cloud based file sharing. |
| | Kanban | 03/31/17 | \$1,380 | Will not be renewed. | Project Tracking. |
| | USPS | 03/31/17 | \$348 | TBD | PO Box. |
| | Xerox | 04/01/17 | \$23,245 | TBD | Copier leases Chicago. |
| | Xerox | 04/01/17 | \$5,723 | TBD | Copier lease Mt. Vernon. |
| | Hewlett Packard Enterprise Support | 05/04/17 | \$3,846 | Renew | IT Hardware Support. |
| | MicroTek | 05/17/17 | \$9,500 | Project completed. Will not be renewed | Training Room Rentals. |
| | Hewlett Packard Enterprise Hardware | 05/18/17 | \$3,878 | TBD | MailArchiva Server Hardware. |
| | GoDaddy | 05/30/17 | \$297 | TBD | Standard Multiple Domain SSL Renewal (il-fa.com). |
| | MX Save | 06/12/17 | \$588 | TBD | Disaster Recovery/Mailbag Service. |
| | GoDaddy | 06/13/17 | \$150 | TBD | SSL Certificate for Mobile Device Management. |
| | ADP/EZLabor | 06/30/17 | \$1,008 | TBD | Employee Timesheet Module. |

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD OF DIRECTORS MEETING
January 12, 2017**

| III. EXPIRING CONTRACTS (cont'd) | | | | | |
|---|------------------------------|------------------------|--------------------------------------|---|---|
| C. Illinois Procurement Code-Small Purchases | Vendor | Expiration Date | Estimated Not to Exceed Value | Action | Services Provided |
| | CDW Government LLC | 06/30/17 | \$264 | TBD | Smart Net. |
| | Com Microfilm Company, Inc. | 06/30/17 | \$16,948 | TBD | Docuware Maintenance and Software Support. |
| | HPL & S, Inc. | 06/30/17 | \$5,000. | TBD | 401A Plan Administrator. |
| | Midwest Moving & Storage | 06/30/17 | \$48,840 | Vendor replaced. Will not be renewed. | Storage. |
| | Neopost USA Inc. | 06/30/17 | \$941 | TBD | Postage; Meter Rental Services. |
| | Novanis IT Solutions | 06/30/17 | \$342 | TBD | Enterprise Mobility Management. |
| | Pickens Kane | 06/30/17 | \$30,000 | Vendor replaced. Will not be renewed. | Records management services. |
| | Presidio Networked Solutions | 06/30/17 | \$3,292 | TBD | Production Support/subscription for VMware |
| | Swift Impressions | 06/30/17 | \$12,000 | TBD | Printing Services for the Monthly Board Book. |
| | The On Time Courier | 06/30/17 | \$5,000 | TBD | Messenger Service. |
| | TRI Industries | 06/30/17 | \$986 | Continue with State Master. Expires 2019. | Toner. |
| | United Parcel Service | 06/30/17 | \$12,000 | TBD | Package Delivery. |
| | US Bank National Association | 06/30/17 | \$18,000 | TBD | Local Gov't Paying Agent/Custodian. |
| | | | | | |

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher
Date: January 12, 2017
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 \$524,200 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$1,370,200**
- **Calendar Year Summary:** (as of January 12, 2017)
 - Volume Cap: \$TBD (Note: IFA allocation request/award pending for CY 2017)
 - Volume Cap Committed: \$TBD
 - Volume Cap Remaining: \$TBD
 - Average Farm Acreage: 71
 - Number of Farms Financed: 4
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - IFA conveys tax-exempt, municipal bond status onto the financing
 - Will use dedicated 2017 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 (typically 1st Mortgage)
 - 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: 30380
Borrower(s): Ginder, Dominic A.
Borrower Benefit: First Time Land Buyer
Town: Newton, IL
IFA Bond Amount: \$133,500
Use of Funds: Farmland –37 acres of farmland
Purchase Price: \$267,000 / \$7,216 per acre
% Borrower Equity: 5%
% IFA Bonds: 50% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”) 45% (*Subordinate Financing – 2nd Mortgage*)
Township: Wade
Counties/Regions: Jasper / Southeastern
Lender/Bond Purchase: Peoples State Bank of Newton / Brian Bohnhoff
Legislative Districts: Congressional: 15
State Senate: 55
State House: 109

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 20, 2018. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 20, 2018 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B. Project Number: 30381
Borrower(s): Niehaus, Jacob
Borrower Benefit: First Time Land Buyer
Town: Walshville, IL
IFA Bond Amount: \$520,000
Use of Funds: Farmland –120 acres of farmland
Purchase Price: \$986,400 / \$8,220 per acre
% Borrower Equity: 0%
% IFA Bonds: 52.7% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”) 30.4% (*Subordinate Financing – 2nd Mortgage*)
% Other (Bank) 16.9% (*Subordinate Financing – 3rd Mortgage*)
Township: Walshville
Counties/Regions: Montgomery / Central
Lender/Bond Purchase: First National Bank of Litchfield / Ken Elmore
Legislative Districts: Congressional: 13
State Senate: 48
State House: 95

Principal shall be paid annually in thirty equal installments of \$17,350.00 each, with the first principal payment date one year from the date of closing, with successive principal payment dates to be at one year intervals thereafter, with the thirtieth and final payment of all principal then outstanding due thirty years from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing, and successive interest payment dates to be at annual intervals thereafter, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

C. Project Number: 30382
Borrower(s): Scaggs, Christopher M. & Jessica L.
Borrower Benefit: First Time Land Buyer
Town: Sumner, IL
IFA Bond Amount: \$192,500.00
Use of Funds: Farmland –56 acres of farmland
Purchase Price: \$385,000 / \$6,875 per acre
% Borrower Equity: 0%

| | |
|------------------------------------|---|
| % IFA Bonds | 50% Bank Purchased Bond – Bank secured by 1 st Mortgage) |
| % USDA Farm Service Agency (“FSA”) | 50% (<i>Subordinate Financing – secured by 2nd Mortgage</i>) |
| Township: | Petty |
| Counties/Regions: | Lawrence / Southeastern |
| Lender/Bond Purchase: | Peoples State Bank of Newton / Eric Seitzinger |
| Legislative Districts: | Congressional: 15 |
| | State Senate: 55 |
| | State House: 110 |

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

| | |
|------------------------------------|--|
| D. Project Number: | 30383 |
| Borrower(s): | Edwards, Blake A. |
| Borrower Benefit: | First Time Land Buyer |
| Town: | Woodhull, IL |
| IFA Bond Amount: | \$524,200 |
| Use of Funds: | Farmland – 119.38 acres of farmland |
| Purchase Price: | \$1,062,482 / \$8,900 per acre |
| % Borrower Equity | 10% |
| % IFA Bonds | 49.34% (Bank Purchased Bond – Bank secured by 1 st Mortgage) |
| % USDA Farm Service Agency (“FSA”) | 28.24% (<i>Subordinate Financing – secured by 2nd Mortgage</i>) |
| % Other (Bank) | 12.42% (<i>Subordinate Financing – secured by 3rd Mortgage</i>) |
| Township: | Cold Brook |
| Counties/Regions: | Warren / West Central |
| Lender/Bond Purchase: | Midwest Bank / Matthew Gillen |
| Legislative Districts: | Congressional: 17 |
| | State Senate: 37 |
| | State House: 74 |

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 15, 2018. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 15, 2018 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

\$100,000,000

Franciscan Communities, Inc.

January 12, 2017

| | | | | |
|--------------------------|--|---------------|----|-----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by Franciscan Communities, Inc., (“the Franciscan”, “FC”, or “the Borrower”) to: (i) finance, refinance or reimburse the Borrower or University Place, Inc. (“University Place”) for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the senior living facilities owned and operated by the Borrower or University Place, as follows: (a) the costs of renovating the skilled nursing facility at The Village at Victory Lakes, Wheeling, Illinois, renovating portions of the assisted living facility at St. Joseph Village, Chicago and renovating portions of Franciscan Village, Lemont, Illinois; (b) projects in the State of Indiana consisting of the reimbursement and/or funding for capital improvements at St. Anthony Home, Crown Point, Indiana and at University Place, West Lafayette, Indiana; and (c) a project in the State of Ohio consisting of the construction and equipping of an 11,000 square foot addition to Mount Alverna Village, Parma, Ohio; (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds (“IFA”) 2004B bonds, (b) the IFA Series 2007A Bonds, (c) the IFA Series 2013B Bonds, (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C and D (for the Mount Alverna Project); (iii) pay certain working capital expenditures of the Borrower, if deemed necessary or desirable by the Borrower; (iv) fund one or more debt service reserve funds for the benefit of the Series 2017A Bonds if deemed necessary or desirable by the Borrower; (v) pay a portion of the interest accruing on the Series 2017 Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds (Multi-State)</p> <p>Extraordinary Conditions: None.</p> | | | |
| BOARD ACTIONS | Preliminary Bond Resolution. | | | |
| MATERIAL CHANGES | This is the first time this project is being presented to the Board. | | | |
| JOB DATA | 1,799 | Current jobs | 0 | New jobs projected |
| | N/A | Retained jobs | 20 | Construction jobs projected |
| DESCRIPTION | <ul style="list-style-type: none"> Franciscan’s locations are in Cook, Will, and Lake Counties (the subject financing is also refunding prior bonds issued for facilities in Indiana and Ohio). The Franciscan currently operates eight facilities in three states with an aggregate of 1,948 total units, including 476 entrance fee independent living units, 257 rental independent living units, 339 assisted living units, 68 memory care units, and 808 nursing/sheltered units. The new money projects will consist of various renovation projects and capital budget items at certain of the Franciscan’s eight facilities located in Illinois, Indiana and Ohio. | | | |
| SECURITY/MATURITY | <ul style="list-style-type: none"> Security: The 2017 bondholders will have a gross revenue pledge of the Franciscan under a Master Trust Indenture and a mortgage or leasehold mortgage on all properties in the Franciscan Obligated Group. Maturity: No later than 2057 (40 years). | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> The underwritten Bonds will be rated. Franciscan expects a rating of ‘BBB-’ by Fitch. The bank direct purchase Bonds will not be rated. | | | |
| STRUCTURE | <ul style="list-style-type: none"> The Franciscan contemplates the issuance of tax-exempt fixed rate investment grade bonds to be sold in a public underwriting by BB&T Capital Markets. The Plan of Finance also contemplates a bank direct purchase by banks to be selected by the Franciscan. | | | |

| | | | | |
|-------------------------|--|-----------------------------|----------------------|-----------------------------|
| MATURITY | ● Bonds will mature no later than 2057 (40 years). | | | |
| SOURCES AND USES | Sources: | | Uses: | |
| | IFA Bonds (Multiple Series) | \$94,000,000 | Refund Existing Debt | \$79,000,000 |
| | Existing Trustee Funds on Hand | \$4,800,000 | Project Fund | \$15,000,000 |
| | Additional Equity Contribution | \$200,000 | DSRF | \$3,000,000 |
| | | | Capitalized Interest | \$500,000 |
| | | | Cost of Issuance | <u>\$1,500,000</u> |
| | Total | <u>\$ 99,000,000</u> | Total | <u>\$ 99,000,000</u> |
| RECOMMENDATION | Credit Review Committee recommends approval. | | | |

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**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 12, 2017**

Project: **Franciscan Communities, Inc.**

STATISTICS

| | | | |
|-----------------|---|-------------------|---|
| Project Number: | 12378 | Amount: | \$100,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Pam Lenane |
| Locations: | Chicago, Lindenhurst, Lemont, Wheeling, Homer Glen; Crown Point and West Lafayette, Indiana; and Parma, Ohio | Counties /Region: | Cook/Will/Lake Counties/Northeast Region |

BOARD ACTION

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

PURPOSE

Bond proceeds will be used by **Franciscan Communities, Inc., Obligated Group** (“**the Franciscan**”, “**FC**”, or “**the Borrower**”) to: (i) finance, refinance or reimburse the Borrower or a related entity, including University Place, for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the senior living facilities owned and operated by the Borrower or a related entity, including but not limited to University Place, as follows: (a) the costs of renovating the skilled nursing facility at The Village at Victory Lakes, Wheeling, Illinois, renovating portions of the assisted living facility at St. Joseph Village, Chicago and renovating portions of Franciscan Village, Lemont, Illinois; (b) projects in the State of Indiana consisting of the reimbursement and/or funding for capital improvements at St. Anthony Home, Crown Point, Indiana and at University Place, West Lafayette; and (c) a project in the State of Ohio consisting of the construction and equipping of an 11,000 square foot addition to Mount Alverna Village, Parma, Ohio; (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds (“IFA”) 2004B Bonds, (b) the IFA Series 2007A Bonds, (c) the IFA Series 2013B Bonds, (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C and D (for the Mount Alverna Project); (iii) pay certain working capital expenditures of the Borrower, if deemed necessary or desirable by the Borrower; (iv) fund one or more debt service reserve funds for the benefit of the Series 2017A Bonds if deemed necessary or desirable by the Borrower; (v) pay a portion of the interest accruing on the Series 2017 Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

| Sources: | | Uses: | |
|--------------------------------|-----------------------------|----------------------|-----------------------------|
| IFA Bonds | \$94,000,000 | Refund Existing Debt | \$79,000,000 |
| Existing Trustee Funds on Hand | \$4,800,000 | Project Fund | \$15,000,000 |
| Additional Equity Contribution | \$200,000 | DSRF | \$3,000,000 |
| | | Capitalized Interest | \$500,000 |
| | | Cost of Issuance | <u>\$1,500,000</u> |
| Total | <u>\$ 99,000,000</u> | Total | <u>\$ 99,000,000</u> |

JOBS

| | | | |
|---------------------|-------|---------------------|----|
| Current employment: | 1,799 | Projected new jobs: | 0 |
| Jobs retained: | N/A | Construction jobs: | 20 |

FINANCING SUMMARY

| | |
|-------------------------|---|
| Security: | The 2017 bondholders will have a gross revenue pledge of the Franciscan under a Master Trust Indenture and a mortgage or leasehold mortgage on all properties in the Franciscan Obligated Group. |
| Credit Enhancement: | None |
| Structure: | The Franciscan contemplates the issuance of approximately \$42 million of tax-exempt fixed rate investment grade bonds to be sold in a public underwriting by BB&T Capital Markets. The Plan of Finance also contemplates a bank direct purchase by banks to be selected the Franciscan. |
| Interest Rate: | Fixed Rate and Variable Rate |
| Underlying Ratings: | The underwritten Bonds will be rated while the bank purchased Bonds will not be rated. Franciscan expects a rating of 'BBB-' by Fitch on any Bonds sold publicly. |
| Maturity: | Not later than 2057 (40 years). |
| Estimated Closing Date: | February 27, 2017 |

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Franciscan Communities, Inc., Obligated Group** ("Franciscan") or ("**Borrower**") to: (i) finance, refinance or reimburse the Borrower or a related entity, including University Place, for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the senior living facilities owned and operated by the Borrower or a related entity, including but not limited to University Place, as follows: (a) the costs of renovating the skilled nursing facility at The Village at Victory Lakes, Wheeling, Illinois, renovating portions of the assisted living facility at St. Joseph Village, Chicago and renovating portions of Franciscan Village, Lemont, Illinois; (b) projects in the State of Indiana consisting of the reimbursement and/or funding for capital improvements at St. Anthony Home, Crown Point, Indiana and at University Place, West Lafayette, Indiana; and (c) a project in the State of Ohio consisting of the construction and equipping of an 11,000 square foot addition to Mount Alverna Village, Parma, Ohio; (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds ("IFA") 2004B Bonds, (b) the IFA Series 2007A Bonds, (c) the IFA Series 2013B Bonds, (d) County of Cuyahoga,

Ohio Health Care Facilities Revenue Bonds, Series 2004C and D (for the Mount Alverna Project); (iii) pay certain working capital expenditures of the Borrower, if deemed necessary or desirable by the Borrower; (iv) fund one or more debt service reserve funds for the benefit of the Series 2017A Bonds if deemed necessary or desirable by the Borrower; (v) pay a portion of the interest accruing on the Series 2017 Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds.

BUSINESS SUMMARY

Background: The **Franciscan Sisters of Chicago Service Corporation (“FSCSC”)** is the sole corporate member of the Franciscan (i.e., the Borrower). FSCSC is sponsored by and is a senior care ministry of the Franciscan Sisters of Chicago (“FSC”). Through its various ministries, FSC has provided community-based housing and healthcare services to seniors for over 115 years. The vision of FSCSC is to become the optimal means which frees all those served to experience the fullness of their lives. All financial obligations of Franciscan associated with the proposed debt issuance (and all other expenses) have been, and will continue to be, the sole obligations of the Obligated Group.

Discussion: The Borrower and University Place currently operate eight facilities, including five facilities in the greater Chicago area, two facilities in Indiana, and one facility in Ohio. Collectively, the Borrower and University Place and the communities they operate are also referred to herein as the “Franciscan Obligated Group.” Both the Borrower and University Place are Indiana 501(c)(3) corporations.

The facilities operated by the Obligated Group will include an aggregate of 1,948 total units, including 476 entrance fee independent living units, 257 rental independent living units, 407 assisted living/memory care units, and 808 nursing/sheltered units.

Proceeds of the Series 2017 Bonds will primarily be used refund the Series 2004B,C & D Bonds, the Series 2007A Bonds, the Series 2013B Bonds, and to fund new money projects for certain of the Obligated Group facilities. The Obligated Group is not currently in default on any bonds and has not missed a payment date relative to any bonds in the immediately preceding three years, and, to the best of Borrower’s knowledge, has never defaulted on a payment on any of the Borrower bond issues.

Rationale: The purpose of the refunding and restructuring is to take advantage of today’s relatively low fixed interest rates for senior living providers. The refunding will allow the Borrower to borrow an additional \$15 million for new money projects while maintaining similar annual debt service levels. In addition to locking in fixed interest rates, the Obligated Group will use this opportunity to extend the principal amortization of its debt. In general, the annual debt service for the next 20 years will be approximately the same as it currently is (without the refunding/restructuring and issuance of new money). The cash flow savings as a result of the refunding will enable the Borrower to borrow for new money projects without materially increasing annual debt service.

Historical Operating Revenues are reported below.

Total Operating Revenues (\$000s):

| | For the Years Ended June 30, | | | | Fiscal Quarter Ended September 30, 2016 |
|-----------------|------------------------------|-----------|-----------|-----------|--|
| | 2013 | 2014 | 2015 | 2016 | |
| Obligated Group | \$117,728 | \$119,670 | \$121,576 | \$123,221 | \$30,689 |

ECONOMIC DISCLOSURE STATEMENT

Applicant: Franciscan Communities, Inc.

Site Address: Franciscan Communities, Inc.
11500 Theresa Drive
Lemont, Illinois 60439
(331) 318-5200

Contact: Ronald Tinsley, Chief Financial Officer

Website: www.franciscanministries.org

Project name: Franciscan Communities, Inc.

Organization: 501(c)(3) Indiana Not-For-Profit Corporation

State: Illinois, Indiana, and Ohio

Ownership/Fiscal 2016-17 Board Members (501(c)(3)):

| NAME & TITLE | LENGTH OF SERVICE | OCCUPATION/PLACE OF RESIDENCE | COMMITTEE MEMBERSHIP |
|---|--|---|--|
| Sr. M. Francis Clare Radke Chairperson | Ex-Officio Director | Chairperson Lemont, IL | Executive Executive Compensation |
| Jill Krueger | Nine years with an approved one-year extension through April 2013 | President/Chief Executive Officer Health Resources Alliance, Inc. Naperville, IL | Audit and Finance (Chair) Investment Sub-Committee |
| Lawrence Leaman | Five years | Retired Huron, OH | Executive Compensation |
| Sandra Singer | Five years | Professor of Psychology Purdue University Scherrerville, IN | Board Development |
| Annette Shoemaker Vice Chairperson | Four years | Director Evangelical Lutheran Church Foundation Chicago, IL | Executive Committee Audit and Finance Investment Sub-Committee (Chair) |
| Judy Amiano President/Chief Executive Officer | Ex-Officio Director | President/Chief Executive Officer of FSCSC Bourbonnais, IL | Executive Audit and Finance Investment Sub-Committee Executive Compensation Quality Improvement/Risk Management |

PROFESSIONAL & FINANCIAL

| | | | |
|--------------------------|----------------------------|--------------|-------------------------------|
| Borrower's Counsel: | Nixon Peabody | Chicago | James Broeking |
| Auditor: | Plante Moran | Elgin | Ed Slack |
| Bond Counsel | Chapman and Cutler LLP | Chicago | John Bibby & Latrice Phillips |
| Underwriter(s): | BB&T Capital Markets | Chicago | Brendan Malone |
| Underwriters' Counsel: | Dinsmore and Shohl LLP | Columbus, OH | Glendon Pratt |
| IFA Counsel: | Burke, Burns & Pinelli Ltd | Chicago | Steve Welcome |
| IFA's Financial Advisor: | Sycamore Advisors LLC | Chicago | Diana Hamilton |

LEGISLATIVE DISTRICTS

Congressional: 2, 3, 4, 10
State Senate: 15, 20, 29, 32, 41
State House: 29, 39, 57, 64, 82

SERVICE AREA

Franciscan is presently comprised of eight senior care communities providing independent living, assisted living, and nursing services in continuum of care campuses in the states of Illinois, Indiana, and Ohio. The communities that comprise Franciscan presently include: Addolorata Villa located in Wheeling, Illinois; Franciscan Village located in Lemont, Illinois; Marian Village located in Homer Glen, Illinois; St. Joseph Village of Chicago located in Chicago, Illinois; The Village at Victory Lakes located in Lindenhurst, Illinois; St. Anthony Home located in Crown Point, Indiana; University Place located in West Lafayette, Indiana; and Mount Alverna Village located in Parma, Ohio. Franciscan, an Indiana not-for-profit corporation, is currently the sole member of the Franciscan Obligated Group.

A map detailing the locations of the corporate office of FSCSC (previously Homewood, now Lemont) and each facility within the Obligated Group is presented below.



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Richard K. Frampton, Executive Vice President
Brad R. Fletcher, Assistant Vice President

Date: January 12, 2017

Re: Resolution Authorizing the Executive Director to Prepare and Execute a Waiver and Forbearance Agreement Waiving any Event of Default until February 1, 2018 with Respect to \$195,000 Original Aggregate Principal Amount of Sewerage Refunding Revenue Bonds, Series 1999, issued by the Piasa Township Sewer District, Jersey County, Illinois, and owned by the Authority; and Related Matters

Background on the Local Government Bonds:

The **Piasa Township Sewer District** (the “**District**” or “**Borrower**”) issued \$195,000 of Sewerage Refunding Revenue Bonds in 1999 (the “**Series 1999 Bonds**”) through the **Illinois Rural Bond Bank** (or “**IRBB**”, a predecessor of the **Illinois Finance Authority** (“**IFA**”)), under the IRBB’s Local Government Bond Bank Program, a program that consolidated the issuance of local government bonds (of non-rated issuers) into a single pooled bond issue that was rated and sold into the public markets. The Local Government Bond Bank Bonds financed (and refinanced) a series of essential government purpose projects undertaken by local government units statewide.

Proceeds of the Series 1999 Bonds were used by the District to refinance a portion of outstanding balances of the District’s \$146,000 Sewerage Revenue Bonds (June 1986A) and \$42,500 Sewerage Revenue Bonds (June 1986B).

The remaining outstanding balance of the District’s loans was \$30,000 as of 12/31/2016. The District has three scheduled payments remaining on its Series 1999 Bonds including: (1) \$15,810 due 2/1/2017; (2) \$405 due 8/1/2017; and (3) \$15,405 due 2/1/2018. The interest rate borne on the Series 1999 Bonds is fixed at 5.40%.

Finally, pursuant to the defeasance and redemption of all IRBB and IFA Local Government Bond Bank Bonds in 2014, each underlying Local Government bond obligation (including the subject issue on behalf of the Piasa Township Sewer District) became an IFA-owned bond issue (and, effectively, an IFA-owned loan) effective as of June 30, 2014.

Description of the Piasa Township Sewer District:

The District was organized by a referendum of the residents of the proposed area of the district in 1974 in order to establish a sewage collection system. The District is located in Jersey County, Illinois (southwestern Illinois) and serves 120 rural connections located approximately five (5) miles north of Alton. The District’s customer base is comprised of approximately 98% residential customers and 2% commercial customers.

The principal assets of the District consist of the District’s sewer collection system (the “**System**”) which includes two pumping stations, sewer lines, and related properties. Note: The District does not treat sewage.

Recent Developments:

After many years of marginal operating results, evidenced by increasing liquidity challenges, the following events have occurred since November 12, 2016:

1. On November 12, 2016, the Board of Trustees of the Piasa Township Sewer District approved Resolution No. 11-12-16-1 which:
 - a) Authorized the District’s Board of Trustees to negotiate terms and conditions in connection with an **Asset Purchase Agreement** (the “**Agreement**”) for the sale of all assets of the District to the Illinois American Water Company, under which the Illinois American Water Company would “fully manage, operate, and maintain the District’s sewage collection system now and in the future”, to purchase all assets of the District, and to assume and pay all debts and outstanding obligations of the District, and

- b) Approved and Authorized Circulation of a Petition to Request a Referendum on the Question of the Dissolution of the Sanitary District Known as “Piasa Township Sewer District” pursuant to 70 ILCS 2805/33 (the “**Petition**”).
2. Approximately 92 electors (a number exceeding the minimum 50 legal voters residing within the service area of the District) submitted a Petition for consideration in the Circuit Court of the Seventh Judicial Circuit, Jersey County, Illinois (the “**Circuit Court**”) on December 20, 2016.
3. On December 20, 2016, the Circuit Court ordered and decreed that:
 - a) Pursuant to 70 ILCS 2805/33, a Referendum on the Question of the Dissolution of the Piasa Township Sewer District shall be held at the next General Election (i.e., April 4, 2017).
 - b) The Circuit Court certified the Referendum on the Question of the Dissolution as follows: “*Shall the sanitary district known as ‘Piasa Township Sewer District’ be dissolved?*” ☐ YES ☐ NO
 - c) If a majority of the votes cast on the question are in favor of dissolution of the District, then such organization shall cease, and the District shall be dissolved, the officers of the District shall close up the business affairs of the District, make any necessary conveyances of easements or title of District property, and discharge all outstanding obligations of the District, all as proposed in the Petition.

Pursuant to terms of the proposed Agreement between the District and Illinois American, the System will be purchased “as-is” by Illinois American and the purchase price will be set at an amount equal to all outstanding debts of the District (approximately \$80,000, including IFA debt of approximately \$31,200 and two loans with CNB Bank) plus all related legal and regulatory expenses borne by the District.

*Additionally, the District and Illinois American have agreed to pay IFA all remaining scheduled interest and principal payments on the Series 1999 Bonds (i.e., as scheduled through 2/1/2018) with the presently anticipated closing date occurring upon approval of the Asset Sale by the **Illinois Commerce Commission (“ICC”)** in September 2017. (Note: The accompanying Resolution specifies that the Asset Sale must close on or before 2/1/2018 (subject to extension, if necessary).*

After the acquisition, the District’s customers would be subject to Illinois American’s tariffs. Additionally, the dissolution of the District will eliminate the District’s property tax levy. Overall, the District’s customers are expected to realize a net reduction in monthly sewage payments.

IFA’s Bondholder Security on the District’s Series 1999 Bonds (\$30,000 outstanding principal balance):

The outstanding Bonds were issued as Revenue Bonds and the District covenanted and agreed to provide for, collect, and apply its sewer system revenues as necessary to comply with the statutory minimum 1.25 times debt service coverage test required pursuant to Illinois law.

The subject Bonds were not issued as Alternate Bonds and, as a result, do not carry the District’s general obligation taxing powers as back-up security.

Request:

As noted in the Recent Developments section above, the District has posted marginal operating results and experienced ongoing liquidity challenges in recent years.

In addition to advising the Authority regarding the intent of the District to sell its system to Illinois American and, concurrently, dissolve the District upon the settlement of all outstanding liabilities and claims), *the District has advised the Authority that it will have insufficient liquidity to make the scheduled Principal and Interest Payment due as of 2/1/2017 in the amount of \$15,810 and has requested the Authority to defer this payment until the District and Illinois American close on the sale of the System upon approval by the ICC (which is presently anticipated in September 2017).*

Although the Authority reserves the right under the Series 1999 bond documents to compel the District to impose sewer charges in amounts sufficient to satisfy all scheduled payments, given the planned sale of the System (contemplated following ICC approval in Fall 2017) and the relatively small remaining loan balance outstanding (\$30,000; along with \$1,620 in remaining scheduled interest payments), it is not recommended that the Authority compel the District to impose increased sewer charges based on the District's plan to (i) sell the System and (ii) dissolve the District pursuant to a Circuit Court approved petition.

Recommendations and Conclusions – Request for Approval of the Attached Resolution to Authorize Preparation of a Suitable Forbearance Agreement Waiving Any Event of Default Until 2/1/2018

The accompanying Resolution requests authorization for the Executive Director to prepare a suitable Forbearance Agreement (a draft form of Forbearance Agreement has been attached as Exhibit A to the Resolution), under which IFA would waive any covenant violations and payments until February 1, 2018.

As a condition of the accompanying Resolution, all of the existing security provisions for the existing Piasa Township Sewer District Refunding Revenue Bonds would remain in place.

The result envisioned by the accompanying Resolution would enable the District to repay its Bonds to IFA upon closing on the sale of the System to Illinois American without imposing substantial sewer system rate increases or property tax increases on local users. This is a reasonable result for the System's users given the planned divestiture of the System and upcoming 4/4/2017 Referendum that would ultimately provide for dissolution of the District.

Finally, the District and Illinois American have orally agreed to pay the Authority all remaining scheduled interest and principal payments on the Series 1999 Bonds (i.e., as scheduled as of 2/1/2017, 8/1/2017, and including the final principal and interest payment due 2/1/2018) upon closing of the sale to Illinois American (which is presently anticipated in September 2017, subsequent to ICC approval).

Given the small remaining outstanding principal amount (\$30,000), and remaining interest payments (i.e., three payments totaling \$1,620), the time spent setting up, monitoring, and auditing any interest payment accruals on late payments would not be cost effective. Accordingly, in order to offset a portion of the foregone late payment accruals, IFA has requested that the District pay the full scheduled 2/1/2018 principal and interest payment upon sale of the System to Illinois American (which is expected to occur in September 2017, following anticipated approval of the Asset Sale by the ICC).

PROFESSIONAL AND LEGAL

| | | | |
|---------------------------------------|----------------------------------|-----------------|-------------------|
| IFA Borrower: | Piasa Township Sewer District | Brighton, IL | Rita Hatfield |
| Counsel to IFA Borrower/ District: | Strang & Parish, Ltd. | Jerseyville, IL | William H. Strang |
| Proposed System Purchaser: | Illinois-American Water Co. | Alton, IL | |
| Bond Counsel: | Evans, Froehlich, Beth & Chamley | Champaign, IL | Kenneth Beth |

RESOLUTION NO. 2017-0112-AD03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PREPARE AND EXECUTE A WAIVER AND FORBEARANCE AGREEMENT WAIVING ANY EVENT OF DEFAULT UNTIL FEBRUARY 1, 2018 WITH RESPECT TO \$195,000 ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE REFUNDING REVENUE BONDS, SERIES 1999, ISSUED BY THE PIASA TOWNSHIP SEWER DISTRICT, JERSEY COUNTY, ILLINOIS, AND OWNED BY THE AUTHORITY; AND RELATED MATTERS.

WHEREAS, in 1999, the Piasa Township Sewer District, Jersey County, Illinois (the “*District*”) issued \$195,000 aggregate principal amount of its Sewerage Refunding Revenue Bonds (the “*Bonds*”), which Bonds are currently outstanding in the aggregate principal amount of \$30,000; and

WHEREAS, the Illinois Finance Authority (the “*Authority*”) now owns all of the outstanding Bonds; and

WHEREAS, the District may have insufficient funds to pay the principal of and interest on the Bonds, and the Authority may need to negotiate or workout payment issues with the District; and

WHEREAS, the District has informed the Authority that it has entered into an agreement to sell the sewage collection assets of the District (the “*System*”) to Illinois-American Water Company (the “*System Purchaser*”); and

WHEREAS, the District has informed the Authority that its voters filed a petition for a voter referendum in the District’s service area in order to dissolve the District upon satisfying all requirements for dissolution of a sanitary district pursuant to 70 ILCS 2805/33 and 70 ILCS 2805/34; and

WHEREAS, on December 20, 2016 the Judge of the Circuit Court in the Seventh Judicial Circuit (Jersey County, Illinois) (the “*Circuit Court*”) entered an order and decree that (i) pursuant to 70 ILCS 2805/33 a referendum on the question of the dissolution of a sanitary district known as the “Piasa Township Sewer District” shall be held at the next General Election (i.e., April 4, 2017) in accordance with general election law and a petition for referendum (the “*Petition*”); (ii) the Circuit Court certified the question “Shall the sanitary district known as ‘Piasa Township Sewer District’ be dissolved?” (the “*Question*”) to the Jersey County Clerk, who shall submit the question to be voted on by the registered voters of the District on April 4, 2017; and (iii) if a majority of the votes cast on the Question are in favor of dissolution of the District, then the District shall cease, and the District is dissolved, and pursuant to 70 ILCS 2805/34, the Circuit Court further hereby authorizes and directs the officers of the District to close up the business affairs of the District, make any necessary conveyances of easements or title of district property, and discharge all outstanding obligations of the District, all as proposed in the Petition.

WHEREAS, upon closing on the sale of the System, the District will have sufficient net proceeds to liquidate all debt obligations, including all scheduled principal and interest payment on the Bonds due to the Authority in the aggregate amount of \$31,620 and comprised of scheduled payments of \$15,810 due 2/1/2017, \$405 due 8/1/2017, and \$15,405 due as of 2/1/2018; and

WHEREAS, a proposed form of Limited Duration Waiver and Forbearance Agreement has been attached hereto as Exhibit A to this Resolution (the “*Forbearance Agreement*”); and

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

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

Section 2. The Executive Director of the Authority is hereby authorized to prepare a Forbearance Agreement waiving any event of default until February 1, 2018 with respect to the Bonds in substantially the form of Exhibit A or with such modifications thereto as the Executive Director deems necessary or appropriate, as well as any other related proceedings or documents.

Section 3. The Chairman, the Vice Chairman, the Executive Director, the Treasurer, the Secretary, any Assistant Secretary and any other authorized officer of the Authority be, and each of them hereby is, authorized to execute and deliver the Forbearance Agreement prepared as set forth in Section 2 hereof and such other documents, certificates and undertakings of the Authority related thereto and to take such other actions as may be required or appropriate in connection with any event of default with respect to the Bonds.

Section 4. 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.

Section 5. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

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

Approved and effective this _ day of _____, 2017 by vote as follows:

EXHIBIT A TO RESOLUTION:

LIMITED DURATION WAIVER AND FORBEARANCE AGREEMENT

This **LIMITED DURATION WAIVER AND FORBEARANCE AGREEMENT** (this “*Agreement*”) dated January __, 2017, is by and between the Piasa Township Sewer District, Jersey County, Illinois, a sewer district organized and validly existing under the Constitution and the laws of the State of Illinois (the “*District*”), and the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the “*Authority*”).

WITNESSETH

WHEREAS, in 1999, the District issued \$195,000 aggregate principal amount of its Sewerage Refunding Revenue Bonds, Series 1999 (the “*Bonds*”) pursuant to an Ordinance Authorizing and Providing for the Issuance of up to \$195,000 Sewerage Refunding Revenue Bonds, Series 1999, of the Piasa Township Sewer District, Jersey County, Illinois, for the Purpose of Refunding Certain Prior Bonds, Prescribing the Details of such Bonds and Providing for the Collection, Segregation and Distribution of the Revenues of the Sewerage System of the Piasa Township Sewer District, Jersey County, Illinois (the “*Bond Ordinance*”), which Bonds are currently outstanding in the aggregate principal amount of \$30,000; and

WHEREAS, the Authority now owns all of the outstanding Bonds; and

WHEREAS, the District has informed the Authority that it may have insufficient funds to pay the principal of and interest on the Bonds on February 1, 2017, and expects to fail to pay such principal of and interest on the Bonds on February 1, 2017 (the “*Payment Default*”) and that the District may have insufficient fund to pay interest on the Bonds due on August, 1, 2017; and

WHEREAS, the District has informed the Authority that it intends to enter into an agreement to sell the assets of the District’s Sewer System (the “*System*”) with Illinois American Water Company (the “*System Purchaser*”) ; and

WHEREAS, the Circuit Court of the Seventh Judicial District, Jersey County, Illinois, (the “*Circuit Court*”) entered an order and decree for the Jersey County Clerk to hold a voter referendum in April 2017 on the question of dissolution of the District; and

WHEREAS, the District and the System Purchaser have informed the Authority that proceeds to the District upon closing of the sale of the System’s Assets will be more than sufficient to pay all of the District’s outstanding debts, including 100% of the remaining scheduled principal and interest payments due as of 2/1/2017 (\$15,810), 8/1/2017 (\$405), and 2/1/2018 (\$15,405), with the sum of the three remaining principal and interest payments totaling \$31,620; and

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

LIMITED DURATION WAIVER AND FORBEARANCE

Section 1.1. Limited Duration Waiver of Payment Default. The Authority, as the sole owner of the Bonds, hereby waives the Payment Default, but only for the period ending on the Waiver Termination Date (as hereinafter defined). The foregoing limited duration waiver (the “*Waiver*”) shall become null and void on the earliest to occur of (i) any occurrence of any default or event of default with respect to the Bonds or under the Bond Ordinance (other than the Payment Default), (ii) February 1, 2018, and (iii) the date of closing of the sale of the System’s assets (the “*Waiver Termination Date*”), and from and after such date the Authority shall have all rights, remedies and claims available to it as a result of the occurrence of the Payment Default all as though the Waiver had never been granted, unless a further amendment or waiver shall be given with respect to the Payment Default. No interest on overdue interest shall accrue during the waiver period.

Section 1.2. Effectiveness of Waiver. The Waiver shall be effective only to the extent specifically set forth herein, and shall not (a) be construed as a waiver of any breach, default or event of default with respect to the Bonds or under the Bond Ordinance other than as specifically waived herein nor as a waiver of any breach, default or event of default with respect to the Bonds or under the Bond Ordinance of which the Authority has not been informed by the District, (b) affect the right of the Authority to demand compliance by the District with all terms and conditions of the Bonds, the Bond Ordinance or any related documents, except as specifically modified or waived by this Agreement, (c) be deemed a waiver of any transaction or future action on the part of the District requiring the consent or approval of the Authority under the Bonds, the Bond Ordinance or any related documents, or (d) except as waived hereby, be deemed or construed to be a waiver or release of, or a limitation upon, the exercise by the Authority of any rights or remedies under the Bonds, the Bond Ordinance or any other related document, whether arising as a consequence of any default or event of default with respect to the Bonds or under the Bond Ordinance which may now exist or otherwise, all such rights and remedies hereby being expressly reserved.

Section 1.3. Forbearance. Until the Waiver Termination Date (which is subject to extension by mutual agreement of the Authority and District), the Authority will not exercise any of its rights or remedies available solely by reason of the Payment Default.

ARTICLE II

MISCELLANEOUS

Section 2.1. Representations and Warranties of the District. In order to induce the Authority to execute and deliver this Agreement, the District hereby represents and warrants that after giving effect to this Agreement, no event has occurred and is continuing which constitutes a default or an event of default, other than the contemplated Payment Default.

Section 2.2. No Actions, Claims, Etc. For value received, including, without limitation, the Waiver, the District hereby acknowledges and confirms that, as of the date hereof, the District does not have has any claim, counterclaim, cause of action, set-off or defense of whatever kind or nature, in law or in equity, against the Authority, or any members, officers, employees, representatives, agents, counsel or directors arising out of the existing financing arrangements between the District and the Authority or from any action by any of the foregoing

persons, or failure of any such person to act with respect to the Bonds or under the Bond Ordinance on or prior to the date of this Agreement.

Section 2.3. Expenses. The District agrees to pay all reasonable costs and expenses of the Authority in connection with the preparation, execution and delivery of this Agreement, including without limitation the reasonable fees and expenses of the legal counsel (including in-house legal counsel) for the Authority.

Section 2.4. Counterparts; Telecopy. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement or any other document required to be delivered hereunder, by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement. Without limiting the foregoing, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 2.5 Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Illinois.

Section 2.6. Captions. The captions or headings in this Agreement are for convenience only, and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 2.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed on the date first above written.

PIASA TOWNSHIP SEWAGE DISTRICT, JERSEY
COUNTY, ILLINOIS

By _____
Charles Davis, President

ILLINOIS FINANCE AUTHORITY

By _____
Christopher B. Meister, Executive Director

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Richard K. Frampton, Executive Vice President

Date: January 12, 2017

Re: Resolution of Intent requesting an Initial Allocation of Calendar Year 2017 Private Activity Bond Volume Cap in the amount of \$100,000,000

Request:

The accompanying Resolution of Intent is in connection with IFA's annual request for Volume Cap to fund Beginning Farmer Bond and Industrial Revenue Bond Projects during Calendar Year 2017. The Authority's initial Volume Cap allocation request amount pursuant to the accompanying Resolution is \$100,000,000 for Calendar Year 2017 (with \$90,000,000 to be provisionally allocated for Industrial Revenue Bonds and \$10,000,000 to be provisionally allocated for Beginning Farmer Bonds).

Annual Volume Cap Request Protocol:

The Governor's Office of Management and Budget ("GOMB") requests that the governing board of each State conduit bond issuing authority file a certified Resolution of Intent as a supplemental exhibit to the issuer's annual Volume Cap allocation request letter.

Recommendation:

Staff recommends approval of the accompanying Resolution as presented.

Background and Historical Perspective on Demand:

- *What is Volume Cap?*

Volume Cap is an annual issuance limit on municipal bonds issued to finance capital projects undertaken by for-profit, taxpaying entities. Volume Cap is an issuance limit originally created under the Deficit Reduction Act of 1984 in order to impose a dollar ceiling on the volume of tax-exempt municipal bonds issued for the benefit of taxable (i.e., tax-paying) entities, thereby limiting the impact of the tax-exemption on the U.S. Treasury.

Volume Cap is allocated under the Internal Revenue Code on a calendar year basis. The applicable statewide allocation in Illinois (and most other states) is \$100 per capita in 2017. Illinois' total 2017 allocation is approximately \$1.28 billion, of which approximately \$234.56 million is reserved for use by state agencies (including IFA). Other state agencies that issues Bonds requiring Volume Cap include (i) the Illinois Housing Development Authority (single family mortgage revenue bonds and affordable rental housing bonds), (ii) the Illinois Student Assistance Commission (student loan revenue bonds), and (iii) the various regional economic development authorities established under state law (Southwestern Illinois Economic Development Authority, et. al.).

In order for the Authority to issue Industrial Revenue Bonds and Beginning Farmer Bonds in 2017, the Authority must receive a calendar year 2017 Volume Cap allocation. Although other project categories of Volume Cap Bonds are eligible to use Volume Cap for a maximum 3-year

“carryforward” period, Industrial Revenue Bonds and Beginning Farmer Bonds may only use Volume Cap allocated in the calendar year in which the Bonds are to be issued. Accordingly, it is imperative that IFA receive a new allocation of Volume Cap for our manufacturing and beginning farmer bond projects at the beginning of each calendar year.

- *What Projects Require Volume Cap?*

The Internal Revenue Code specifies the categories of for-profit borrowers and financings that qualify for tax-exempt municipal bond financing. Each category is subject to a variety of limitations intended to limit the scope of borrowers or projects that may qualify.

Major categories of IFA Bonds that require a Volume Cap allocation include the following (i.e., “Volume Cap Bonds”):

- **Industrial (Development) Revenue Bonds** (project-related capital expenditures limited to \$20MM maximum for 3 years prior and 3 years after date of bond issue; bond issue size limited to \$10MM)
 - **Solid Waste Disposal Revenue Bonds**
 - **Water Supply Revenue Bonds:** issued for capital projects undertaken by investor-owned water utilities
 - **Gas Supply Revenue Bonds:** issued for capital projects undertaken by investor-owned natural gas utilities that operate in two or fewer contiguous counties (i.e., North Shore Gas Company and Peoples Gas in Illinois);
 - **Affordable Residential Rental Housing Projects**
 - **Student Loan Revenue Bonds:** (IFA issued \$15 million for Northwestern University Foundation in 2015)
 - **Mass Commuting Facilities Revenue Bonds**
 - **District Heating and Cooling Facilities Revenue Bonds**
- *Prior Legislative Success to Amend Internal Revenue Code led by the Council of Development Finance Agencies (“CDFA”) increased the supply of Volume Cap beginning in 2003:*

Volume Cap availability had problematic nationally since 1987, when the annual statewide allocations were reduced to \$50 per capita. Under the original 1984 Deficit Reduction Act (which created the concept of Volume Cap), statewide Volume Cap allocations had not been inflation-indexed (and were set at \$50 per capita per calendar year beginning in 1987).

Subsequent to amending the Internal Revenue Code in 2001 annual statewide Volume Cap allocations were increased to \$75 per capita effective in 2003 with subsequent inflation-indexing (based on the Consumer Price Index, going forward).

For calendar 2017, Illinois’ annual statewide Volume Cap allocation is set at \$100 per capita, a 100% increase since 2001 (reflecting both the 2003 increase to \$75, and subsequent inflation adjustments).

These increased annual Volume Cap allocations provided for under the Internal Revenue Code since 2003 have been a major factor in eliminating excess demand for Volume Cap that had existed previously. (Previously, most states had fully used each annual allocation. In Illinois, Volume Cap had been sold and frequently auctioned by Home Rule Units at various times.)

- *Reduced Market Demand due to Diminished Interest Rate Spreads between Taxable and Tax-Exempt Interest Rates and Straight-Line Depreciation Requirements Have Reduced Volume Cap Demand Subsequent to 2007:*

Since 2008, the same Tax-Exempt/Taxable interest rate spread compression that has reduced borrower interest in tax-exempt bond financing has also adversely affected demand for all Volume Cap Bonds.

The ongoing tight spreads in this low interest rate environment have continued to make it difficult for manufacturers (and other Volume Cap Bond borrowers such as solid waste disposal facilities, in particular) to justify including equipment as part of any tax-exempt financing project.

As a result, many Volume Cap Bond borrowers have only considered financing real estate intensive projects.

- *Outmoded Industrial Revenue Bond Issuance and Capital Expenditure Spending Limits Have Further Limited Demand:*

Longstanding restrictions provided for under the Internal Revenue Code for Industrial Revenue Bonds have further reduced demand since (i) the maximum IRB issuance amount for any single borrower (and affiliates) in any single county is limited to a maximum of \$10 million and (ii) any IRB financed project is limited to financing no more than \$20 million of capital expenditures for a period spanning 6 years (including 3 years prior and 3 years after the date of the IRB issuance) pursuant to Internal Revenue Code requirements for Industrial Revenue Bond projects.

Unlike annual statewide Volume Cap limitations, which have been provided for inflation indexing under the Internal Revenue Code since 2003, the key \$10 million IRB issuance limit and \$20 million project spending limit (i.e., the 6-Year Capital Expenditure Limitation) applicable to Industrial Revenue Bond-financed projects have never been indexed for inflation. (In fact, the \$10 million IRB issuance limit remained unchanged since the late 1970s.)

- *CDFA and the Modernizing American Manufacturing Bonds Act (or “MAMBA”) – would reinvigorate demand for Industrial Revenue Bonds:*

The Council of Development Finance Agencies and its members (including IFA), have worked to gain sponsorship and introduction of the Modernizing American Manufacturing Bonds Act (H.R. 2890 and S. 3416 and also known as “MAMBA”), which would increase (i) the IRB per-project issuance limit from \$10 million to \$30 million while also increasing (ii) the IRB 6-Year Capital Expenditure Limitation from \$20 million to \$40 million.

Given that the total cost of many capital (i.e., construction and equipment) projects for many family-owned manufacturers frequently exceed \$20 million, the MAMBA Act would help restore demand for Industrial Revenue Bond financing.

Attachments:

- **Resolution of Intent Requesting an Initial Allocation of Private Activity Volume Cap in the Amount of \$100,000,000**
- **Statewide Volume Cap Allocation Report**

IFA RESOLUTION NO. 2017-0112-AD__

**RESOLUTION OF INTENT REQUESTING AN INITIAL
ALLOCATION OF PRIVATE ACTIVITY VOLUME CAP IN
THE AMOUNT OF \$100,000,000**

WHEREAS, pursuant to Section 801-40 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1, et seq., as amended (the “*Act*”), the **ILLINOIS FINANCE AUTHORITY** (the “*Authority*”) is authorized to issue bonds (“*Bonds*”), including, but not limited to, the issuance of Bonds pursuant to the Illinois Private Activity Bond Allocation Act, 30 ILCS 345 et seq. (the “*Illinois Allocation Act*”); and

WHEREAS, the State of Illinois Guidelines and Procedures for the Allocation of Private Activity Bonding Authority require a request for volume cap allocation be accompanied by a Resolution of the Authority; and

WHEREAS, the Authority anticipates a strong demand for the proceeds of its Bonds and a consequent need to issue Bonds soon after January 1, 2017:

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

Section 1. Ratification and Approval. The Authority hereby ratifies and approves all actions taken by the Executive Director with respect to the initial volume cap allocation of \$100,000,000 in Calendar Year 2017.

Section 2. Intention to Provide Financing. The Authority states its intention, subject to compliance with all requirements of law, to issue Bonds pursuant to the Illinois Volume Cap Allocation Act, in addition to the amount of the Existing Allocation, and on terms and conditions acceptable to the Authority.

Section 3. Authorization to Implement Resolution. The Executive Director is authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

PRIVATE ACTIVITY BOND VOLUME CAPS FOR 2016 AND 2017

| State | POPULATION | | VOLUME CAP* | | | |
|----------------------|--------------------------------|-------------------------------|--------------------|--------------------|--------------------|--------------|
| | 2015 Population Original | 2015 Population Revised | 2016 Population | 2016 Volume Cap | 2017 Volume Cap | % Change |
| Alabama | 4,858,979 | 4,853,875 | 4,863,300 | \$485.90 | \$486.30 | 0.08% |
| Alaska | 738,432 | 737,709 | 741,894 | \$302.88 | \$305.32 | 0.81% |
| Arizona | 6,828,065 | 6,817,565 | 6,931,071 | \$682.81 | \$693.11 | 1.51% |
| Arkansas | 2,978,204 | 2,977,853 | 2,988,248 | \$302.88 | \$305.32 | 0.81% |
| California | 39,144,818 | 38,993,940 | 39,250,017 | \$3,914.48 | \$3,925.00 | 0.27% |
| Colorado | 5,456,574 | 5,448,819 | 5,540,545 | \$545.66 | \$554.05 | 1.54% |
| Connecticut | 3,590,886 | 3,584,730 | 3,576,452 | \$359.09 | \$357.65 | -0.40% |
| Delaware | 945,934 | 944,076 | 952,065 | \$302.88 | \$305.32 | 0.81% |
| District of Columbia | 672,228 | 670,377 | 681,170 | \$302.88 | \$305.32 | 0.81% |
| Florida | 20,271,272 | 20,244,914 | 20,612,439 | \$2,027.13 | \$2,061.24 | 1.68% |
| Georgia | 10,214,860 | 10,199,398 | 10,310,371 | \$1,021.49 | \$1,031.04 | 0.93% |
| Hawaii | 1,431,603 | 1,425,157 | 1,428,557 | \$302.88 | \$305.32 | 0.81% |
| Idaho | 1,654,930 | 1,652,828 | 1,683,140 | \$302.88 | \$305.32 | 0.81% |
| Illinois | 12,859,995 | 12,839,047 | 12,801,539 | \$1,286.00 | \$1,280.15 | -0.45% |
| Indiana | 6,619,680 | 6,612,768 | 6,633,053 | \$661.97 | \$663.31 | 0.20% |
| Iowa | 3,123,899 | 3,121,997 | 3,134,693 | \$312.39 | \$313.47 | 0.35% |
| Kansas | 2,911,641 | 2,906,721 | 2,907,289 | \$302.88 | \$305.32 | 0.81% |
| Kentucky | 4,425,092 | 4,424,611 | 4,436,974 | \$442.51 | \$443.70 | 0.27% |
| Louisiana | 4,670,724 | 4,668,960 | 4,681,666 | \$467.07 | \$468.17 | 0.24% |
| Maine | 1,329,328 | 1,329,453 | 1,331,479 | \$302.88 | \$305.32 | 0.81% |
| Maryland | 6,006,401 | 5,994,983 | 6,016,447 | \$600.64 | \$601.64 | 0.17% |
| Massachusetts | 6,794,422 | 6,784,240 | 6,811,779 | \$679.44 | \$681.18 | 0.26% |
| Michigan | 9,922,576 | 9,917,715 | 9,928,300 | \$992.26 | \$992.83 | 0.06% |
| Minnesota | 5,489,594 | 5,482,435 | 5,519,952 | \$548.96 | \$552.00 | 0.55% |
| Mississippi | 2,992,333 | 2,989,390 | 2,988,726 | \$302.88 | \$305.32 | 0.81% |
| Missouri | 6,083,672 | 6,076,204 | 6,093,000 | \$608.37 | \$609.30 | 0.15% |
| Montana | 1,032,949 | 1,032,073 | 1,042,520 | \$302.88 | \$305.32 | 0.81% |
| Nebraska | 1,896,190 | 1,893,765 | 1,907,116 | \$302.88 | \$305.32 | 0.81% |
| Nevada | 2,890,845 | 2,883,758 | 2,940,058 | \$302.88 | \$305.32 | 0.81% |
| New Hampshire | 1,330,608 | 1,330,111 | 1,334,795 | \$302.88 | \$305.32 | 0.81% |
| New Jersey | 8,958,013 | 8,935,421 | 8,944,469 | \$895.80 | \$894.45 | -0.15% |
| New Mexico | 2,085,109 | 2,080,328 | 2,081,015 | \$302.88 | \$305.32 | 0.81% |
| New York | 19,795,791 | 19,747,183 | 19,745,289 | \$1,979.58 | \$1,974.53 | -0.26% |
| North Carolina | 10,042,802 | 10,035,186 | 10,146,788 | \$1,004.28 | \$1,014.68 | 1.04% |
| North Dakota | 756,927 | 756,835 | 757,952 | \$302.88 | \$305.32 | 0.81% |
| Ohio | 11,613,423 | 11,605,090 | 11,614,373 | \$1,161.34 | \$1,161.44 | 0.01% |
| Oklahoma | 3,911,338 | 3,907,414 | 3,923,561 | \$391.13 | \$392.36 | 0.31% |
| Oregon | 4,028,977 | 4,024,634 | 4,093,465 | \$402.90 | \$409.35 | 1.60% |
| Pennsylvania | 12,802,503 | 12,791,904 | 12,784,227 | \$1,280.25 | \$1,278.42 | -0.14% |
| Rhode Island | 1,056,298 | 1,055,607 | 1,056,426 | \$302.88 | \$305.32 | 0.81% |
| South Carolina | 4,896,146 | 4,894,834 | 4,961,119 | \$489.61 | \$496.11 | 1.33% |
| South Dakota | 858,469 | 857,919 | 865,454 | \$302.88 | \$305.32 | 0.81% |
| Tennessee | 6,600,299 | 6,595,056 | 6,651,194 | \$660.03 | \$665.12 | 0.77% |
| Texas | 27,469,114 | 27,429,639 | 27,862,596 | \$2,746.91 | \$2,786.26 | 1.43% |
| Utah | 2,995,919 | 2,990,632 | 3,051,217 | \$302.88 | \$305.32 | 0.81% |
| Vermont | 626,042 | 626,088 | 624,594 | \$302.88 | \$305.32 | 0.81% |
| Virginia | 8,382,993 | 8,367,587 | 8,411,808 | \$838.30 | \$841.18 | 0.34% |
| Washington | 7,170,351 | 7,160,290 | 7,288,000 | \$717.04 | \$728.80 | 1.64% |
| West Virginia | 1,844,128 | 1,841,053 | 1,831,102 | \$302.88 | \$305.32 | 0.81% |
| Wisconsin | 5,771,337 | 5,767,891 | 5,778,708 | \$577.13 | \$577.87 | 0.13% |
| Wyoming | 586,107 | 586,555 | 585,501 | \$302.88 | \$305.32 | 0.81% |
| Puerto Rico | 3,474,182 | 3,473,181 | 3,411,307 | \$347.42 | \$341.13 | -1.81% |
| TOTAL | 324,893,002 | 324,369,799 | 326,538,820 | \$32,489.30 | \$35,687.56 | 9.84% |

*Dollars in millions

Note: The 2017 cap for each state is based on the greater of \$305.32 million or \$100 multiplied by the state's population for 2016, while the 2016 cap was based on the greater of \$302.88 million or \$100 multiplied by the state's population for 2015 as originally reported in December of that year.

Sources: Internal Revenue Service and U.S. Census Bureau

RESOLUTION NO. 2017-0112-AD05

RESOLUTION APPROVING CONTRACTS WITH AMALGAMATED BANK OF CHICAGO AND PREMIER STAFFING SOURCE, INC.

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

WHEREAS, on October 19, 2016, the Authority posted under the provisions of the Illinois Procurement Code (30 ILCS 500/1-1 *et seq.*) (the “Procurement Code”) a Request for Proposal (the “RFP”) for the provision of bank custodian services to the Authority; and

WHEREAS, in accordance with the competitive process provisions of the RFP and the Procurement Code, Amalgamated Bank of Chicago (“Amalgamated”) was awarded the contract to provide such bank custodian services; and

WHEREAS, accordingly, the Authority wishes to enter into a contract in form and substance consistent with the provisions of the RFP and the Procurement Code (the “Amalgamated Contract”) with Amalgamated for the provision of bank custodian services;

WHEREAS, on November 15, 2016, the Authority posted under the provisions of the Procurement Code an Invitation for Bid (the “IFB”) for the provision of temporary staffing services to the Authority; and

WHEREAS, in accordance with the competitive process provisions of the IFB and the Procurement Code, Premier Staffing Source, Inc. (“PSS”) was awarded the contract to provide such temporary staffing services; and

WHEREAS, accordingly, the Authority wishes to enter into a contract in form and substance consistent with the provisions of the IFB and the Procurement Code (the “PSS Contract”) with PSS for the provision of temporary staffing services;

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 Contracts. The execution and delivery of each of the Amalgamated Contract and the PSS Contract (collectively, the “Contracts”) by the Authority, and the performance by the Authority of its respective obligations thereunder, are hereby approved.

Section 3. Further Actions. The Executive Director of the Authority is hereby authorized, empowered and directed to do all such acts and things and to execute,

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

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

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

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

Approved and effective this 12th day of January, 2017 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

RESOLUTION NO. 2017-0112-AD06

**RESOLUTION REGARDING THE COMPENSATION OF THE EXECUTIVE
DIRECTOR**

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

WHEREAS, pursuant to Section 801-15 of the Act, the Authority is authorized to set the compensation of the Executive Director; and

WHEREAS, the Executive Committee has established certain evaluation criteria, factors and goals to be used to evaluate the Executive Director’s performance and to determine compensation of the Executive Director; and

WHEREAS, the Executive Committee has evaluated such criteria, factors and goals and made a recommendation to the Members of the Authority as to the compensation of the Executive Director for calendar year 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 of Compensation for Calendar Year 2017. After consideration of the criteria, factors and goals established by the Executive Committee for evaluation of the Executive Director, the Executive Committee recommends, and the Board hereby establishes, compensation for the Executive Director for calendar year 2017 at an amount equal to the Executive Director’s 2016 base salary adjusted upward by ____%, effective as of and retroactive to January 1, 2017.

Section 3. 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 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of January, 2017 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Chair

ATTEST:

Assistant Secretary