

ILLINOIS FINANCE AUTHORITY

July 13, 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
Agriculture Participation Loan (RED Fund) <i>Amendment (One-Time Consideration)</i>						
1	AgriWind LLC and AgriWind Project LLC	Indiantown Township (Bureau County)	\$1,116,120	N/A	N/A	PE
TOTAL AGRICULTURE PROJECTS			\$1,116,120	N/A	N/A	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds <i>Final (One-Time Consideration)</i>						
2	Bradley University	Peoria (Peoria County)	\$95,000,000	-	115	RF/BF
3	YMCA of Rock River Valley	Rockford (Winnebago County)	\$9,500,000	28	80	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			\$104,500,000	28	195	
GRAND TOTAL			\$105,616,120	28	195	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
4	Resolution Authorizing the Issuance and Sale by the Illinois Finance Authority of its Revenue Refunding Bond, Series 2017A (Chicagoland Laborers District Council Training and Apprenticeship Fund) and Revenue Refunding Bond, Series 2017B (Chicagoland Laborers' District Council Training and Apprenticeship Fund) and Loan the Proceeds Thereof to Chicagoland Laborers' District Council Training and Apprenticeship Fund (the "Borrower") to Refund the Illinois Finance Authority Revenue Bonds (Chicagoland Laborers' District Council Training and Apprenticeship Fund Project), Series 2008; Authorizing the Execution and Delivery of a Bond and Loan Agreement in Connection with the Issuance of said Bonds; and Authorizing and Approving Certain Related Documents and Matters in Connection Therewith	RF/BF
5	Resolution Authorizing the Execution and Delivery of a Supplemental Indenture, Supplementing and Amending the Indenture of Trust Securing \$135,000,000 in Original Aggregate Principal Amount of Illinois Finance Authority Recovery Zone Facility Revenue Bonds (Navistar International Corporation Project) Series 2010; Authorizing the Execution and Delivery of an Amendment to the Loan Agreement which provided for the Loan of the Proceeds of said Bonds to Navistar International Corporation; and Authorizing and Approving Related Matters	RF/BF
6	Resolution Approving Reduced Principal Repayment Provision in Connection with Existing Beginning Farmer Bond Loan #2017-06-0001	PE/LK
7	Resolution Adopting the Budget of the Illinois Finance Authority for Fiscal Year 2018	CM/XG
8	Resolution for Election of a Vice Chair of the Illinois Finance Authority	CM/EW
9	Resolution to Accept the Fiscal Year 2016 Financial Audit	CM/XG
10	Resolution Authorizing and Confirming the Execution and Delivery of an Intergovernmental Agreement with Central Management Services Regarding Provision of Internal Auditing Functions, and Other Matters Related Thereto	CM/EW

PROJECT REPORTS AND RESOLUTIONS

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Date: July 13, 2017

To: Eric Anderberg, Chairman
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox

Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

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

Dear Member of the Authority:

A Strong Fiscal Year 2017

During Fiscal Year 2017, which ended June 30, 2017, the Authority issued \$4.1 billion in conduit debt through 56 individual transactions, which includes beginning farmer bonds. The projects financed by this conduit debt represent the economic, social and geographic diversity of our state. These projects delivered both new money for construction and refunding for savings to our borrowers. These projects were both small and large and range from a few hundred thousand to \$1 billion. Finally, these projects resulted in a positive impact on the people of Illinois.

As members know, three projects stand out due to size and impact: ***Presence Health Network, Series 2016C*** (estimated \$45 million in net present value savings; The *Bond Buyer* Deal of the Year for Healthcare); ***State of Illinois Clean Water Initiative Revolving Fund, Series 2016*** ("AAA-rated"; \$587 million in proceeds funding low interest water and sewer loans administered by the Illinois Environmental Protection Agency); and ***CenterPoint Joliet Terminal Railroad, LLC, Series 2017*** (fourth Surface Freight Transfer Facility Revenue Bond issue since 2010; 16,600 jobs estimated over the development cycle).

Just a few of the Authority's other notable transactions include:

- ***Westminster Village***, Bloomington: construction and equipping of 48-unit two-story addition to a senior living facility;
- ***Camcraft, Inc. and Matrix Design, LLC Project***, Bartlett: construction and equipping of a new 10,000 sq. ft. manufacturing facility that will enable Camcraft, Inc. and Matrix Design LLC to consolidate operations from multiple sites while establishing a second integrated manufacturing facility operation for the co-owned companies in DuPage County that will accommodate future growth;
- ***The Carle Foundation***, Champaign: construction of a new 300,000 sq. ft. support service building, a new 40,000 sq. ft. ambulatory surgery center, a 75,000 sq. ft. addition to the ambulatory clinic, and renovations to its main campus hospital;

- ***Better Housing Foundation (Icarus Portfolio) Project***, southside of Chicago: acquisition and renovation of 516 units of affordable housing in 45 buildings, many of the units suitable for families; each project location will be subject to a land use restriction agreement associated with the financing thereby assuring the 45 properties will remain affordable;
- ***Illinois Wesleyan University***, Bloomington: refunding of the University's outstanding 2006, 2006B, and 2008 bonds to generate savings;
- ***Rehabilitation Institute of Chicago***: refunding, through a new bank syndicate, of the 2013 bonds that funded the construction of the 242-bed replacement hospital; and
- Funding the purchase of over 960 acres of farmland by beginning farmers in an aggregate amount of over \$3.6 million across 8 counties.

Positive Resolution of Legacy Issues

Also over the past twelve months, the Authority worked with a variety of partners and stakeholders to manage or resolve in their entirety the following legacy issues:

- The final closure of the ***1985 Revolving Fund Pool*** of the predecessor Illinois Health Facilities Authority. Between December 2016 and January 2017, the Authority distributed over \$4.8 million of the pool's residual assets to 63 Illinois not-for-profit healthcare borrowers;
- The release of the Authority's funds from a debt service reserve in connection with ***The Clinic in Altgeld's*** final pay-off of its Illinois Development Finance Authority 1996 bonds with the help of the Governor's Office of Management and Budget;
- The full retirement of the ***MJH Education – Fullerton Village, Series 2004*** conduit bonds for a student housing project near DePaul University. The project, which initially had performance issues, was sold and all external bondholders were paid-in-full, including past due penalties and interest;
- The final repayment by the City of Chicago ("City"), in the approximate amount of \$2.4 million under the ***Housing Partnership Program***, an obligation originating in state statute and dating to the 1980's. This resolution would not have been possible without the diligent cooperation of the City's Department of Planning and Development led by Commissioner David Reifman;
- The favorable resolution of numerous audits by the Internal Revenue Service with respect to conduit bonds issued by the Authority; and
- The ***Illinois Medical District Commission's*** ("IMDC") reduction of \$19.375 million of debt, from \$33.4 million to \$14.05 million (58% decline), through a partial redemption of its Series 2006 bonds enhanced with the State's "moral obligation" (*i.e.* contingent state taxpayer guarantee). This would not have been possible without the help of the Governor's Office and the full cooperation of the IMDC.
- The successful payoff of two participation loans in the aggregate amount of \$2.0 million made from the Authority's Renewable Energy Development Loan Fund on July 31, 2007 for the benefit of ***AgriWind LLC and AgriWind Project L.L.C.*** The participation loans, funded by a capitalization grant from Illinois Clean Energy Community Foundation, financed the acquisition and installation of four wind turbines in Bureau County that continue to provide renewable energy to Northwest Illinois.

Finances and Operations

The Authority expects to complete this fiscal year with net income (revenue less expenditures) in its general fund of approximately \$2.9 million (preliminary, draft, unaudited) primarily due to:

(a) \$1.5 million below budget spending (vendors and hiring);
(b) \$600,000 from *The Clinic in Altgeld* reserve; and
(c) total operating revenue of \$649,716 above budget (89% of which represents conduit bond closing fees).

The Authority's total Fiscal Year 2017 expenses are expected to be \$3.4 million against revenues of \$5.7 million (preliminary, draft, unaudited).

Denise Burn, Thank You for Your Management of Procurement

For most of the past year, the Authority was fortunate to have the wisdom and work ethic of Denise Burn, an experienced lawyer and veteran of major, global law firms. While Denise's contributions are many, her primary accomplishment was in the area of procurement, an essential but thankless assignment. We will miss Denise and wish her the very best as she returns to her retirement and garden.

Procurement is a regulatory cost center for the Authority. Given the Authority's public mission, organizational structure, and predominately non-governmental revenue sources, we are deeply engaged with this demanding and resource intensive process for both Authority staff and the Authority's vendors. Collective accomplishments under Denise's leadership in procurement include:

- The process to bring 35 law firms under contract with the Authority;
- The process to select and bring under contract 24 underwriting firms in connection with the State of Illinois Clean Water Initiative Revolving Fund; and
- Numerous contracts essential to the administrative operations of the Authority, including but not limited to payroll, benefits, IT services as well as records storage and management.

We hope that SB 8 (passed without opposition by both chambers of the General Assembly during the Spring Session), if enacted into law, will result in a regulated procurement process that is less resource-intensive for the Authority.

Senate Confirmation

Please join me in congratulating *Chair Eric Anderberg* as well as *Arlene Juracek*, *Lyle McCoy* and *George Obernagel*, on their confirmation by the Senate on June 21, 2017.

Additional Documents

We have included copies in your package of both the Authority's *Financial Audit for the Year Ended June 30, 2016* performed by RSM US LLP, as Special Assistant Auditors for the Illinois Auditor General, and the *Bonded Indebtedness and Long-Term Obligations Report, Fiscal Year 2016*, prepared by the Office of the Illinois Comptroller. The Authority's conduit debt represents a major component of the latter report.

The Future

For reasons that we have discussed over the past year, conduit bond issuance, despite its great impact and successful record, faces challenges on the horizon. Over the next year, I hope to work with you to develop new business lines, including establishing an advisory board and program guidelines for



the veteran's business guarantee program, in furtherance of the Authority's economic development mission. Such business lines will take advantage of the Authority's governance structure, transparency, experienced and professional team and our collective record of accomplishment.

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: July 13, 2017

To: Eric Anderberg, Chairman
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: ***Minutes of the June 8, 2017 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 June in the year 2017, 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, June 8, 2017
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 23)
- II. Approval of Agenda
(page 4, line 24 through page 5, line 12)
- III. Chairman's Remarks
(page 5, lines 12 through 16)
- IV. Message from the Executive Director
(page 5, line 17 through page 6, line 15)
- V. Consideration of the Minutes
(page 6, line 16 through page 7, line 5)
- VI. Presentation and Consideration of Financial Reports
(page 7, line 6 through page 12, line 4)
- VII. Monthly Procurement Report
(page 12, lines 4 through 16)

- VIII. Committee Reports
(page 12, line 17 through page 13, line 17)
- IX. Presentation and Consideration of the Project Reports and Resolutions
(page 13, line 18 through page 26, line 5)
- X. Other Business
(page 26, line 6 through page 28, line 23)
- XI. Public Comment
(page 28, lines 23 through 24)
- XII. Adjournment
(page 29, line 1 through 11)

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 June 8, 2017 Regular Meeting
 - 2. Voting Record of the June 8, 2017 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING

June 8, 2017 at 9:35 a.m.

Report of Proceedings had at the Regular Meeting of the Illinois Finance Authority on June 8, 2017, at the hour of 9:30 a.m., pursuant to notice, at 160 North LaSalle Street, Suite 51000, Chicago, Illinois.

MR. ERI C ANDERBERG, Chairman
MR. JAMES J. FUENTES
MR. ROBERT HORNE
MS. ARLENE JURACEK
MR. LERRY KNOX
MS. GILA J. BRONNER (Via audio conference)
MR. MICHAEL W. GOETZ
MR. ROGER POOLE
MR. LYLE MCCOY
MS. BETH SMOOTS
MR. JOHN YONOVER
MR. GEORGE OBERNAGEL

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. CHRISTOPHER B. MEISTER, Executive Director
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. PATRICK EVANS, Agricultural Banker (Via audio conference)
MS. DENISE BURN, Deputy General Counsel

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CHAIRMAN ANDERBERG: I would like to call the meeting to order. Will the Assistant Secretary please call the roll?

FLETCHER: Certainly. The time is 9:35 a.m.

Mr. Goetz?

GOETZ: Here.

FLETCHER: Mr. Fuentes?
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APPEARANCE:

ILLINOIS FINANCE AUTHORITY MEMBERS

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8 FUENTES: Here.
9 FLETCHER: Mr. Horne?
10 HORNE: Here.
11 FLETCHER: Ms. Juracek?
12 JURACEK: Here.
13 FLETCHER: Mr. Knox?
14 KNOX: Here.
15 FLETCHER: Mr. McCoy?
16 MCCOY: Here.
17 FLETCHER: Mr. Obernagel?
18 OBERNAGEL: Here.
19 FLETCHER: Mr. Poole?
20 POOLE: Yes.
21 FLETCHER: Ms. Smoots?
22 SMOOTS: Here.
23 FLETCHER: Mr. Yonover?
24 YONOVER: Yes.

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1 FLETCHER: And Mr. Chairman?
2 CHAIRMAN ANDERBERG: Here.
3 FLETCHER: Mr. Chairman, a quorum of Members
4 physically present in the room has been constituted.
5 At this time I would like to ask if any Members
6 would like to attend by audio conference?
7 BRONNER: Yes. Good morning. This is Gila
8 Bromer. I'm requesting to attend via audio
9 conference, due to employment purposes.
10 CHAIRMAN ANDERBERG: Is there a motion to
11 approve this request, pursuant to the bylaws and

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policies of the Authority?

12 FUENTES: So moved.
13 OBERNAGEL: Second.
14 CHAIRMAN ANDERBERG: A motion and a second.
15 All those in favor?
16 (A chorus of ayes.)
17 CHAIRMAN ANDERBERG: Opposed?
18 (No response.)
19 CHAIRMAN ANDERBERG: The ayes have it.
20 FLETCHER: Mr. Chairman, Member Bronner has
21 been added to the initial quorum roll call.
22 BRONNER: Thank you.
23 CHAIRMAN ANDERBERG: Does anyone wish to make
24 MARZULLO REPORTING AGENCY (312) 321-9365

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1 any additions, edits or corrections to today's
2 agenda? Hearing none, I would like to request a
3 motion to approve the agenda?
4 Is there such a motion?
5 GOETZ: So moved.
6 HORNE: Second.
7 CHAIRMAN ANDERBERG: We have a motion and a
8 second. All those in favor?
9 (A chorus of ayes.)
10 CHAIRMAN ANDERBERG: Opposed?
11 (No response.)
12 CHAIRMAN ANDERBERG: The ayes have it. I don't
13 have much for remarks today. We have -- May was a
14 great month. We're looking forward to hearing the
15 financial report from Ms. Granda. And I'll hand it
16 over to Mr. Meister.

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17 MEISTER: Thank you, Mr. Chairman. I just want
18 to briefly highlight a couple of important issues in
19 the message from the Executive Director.

20 First, the partial reduction of one of our
21 legacy matters, the contingent state guarantee
22 issued through the Authority in 2006 for certain
23 bonds issued on behalf of the Illinois Medical
24 District Commission.

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1 As of May 15th, that exposure declined by
2 58 percent. We had a great partnership, in
3 cooperation with Governor's Rauner's Office, and
4 with the Illinois Medical District Commission, led
5 by their Executive Director Suzette McKiney.

6 We also have the matter of recommendation
7 -- the matter recommended to the Board of the
8 underwriters for the upcoming Clean Water Initiative
9 State Revolving Fund. And again, I would just like
10 to echo the Chairman's note that we have had an
11 excellent month.

12 The project agenda is a little smaller
13 than we are used to, but the month of May had a
14 large number of closings. So, with that, I'll take
15 any questions today.

16 CHAIRMAN ANDERBERG: Does anyone wish to make
17 any additions, edits or corrections to the minutes
18 from May 11th, 2017?

19 Hearing none, I would like to request a
20 motion to approve the minutes. Is there such a

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21 motion?

22 GOETZ: So moved.

23 KNOX: Second.

24 CHAIRMAN ANDERBERG: There's a second. All
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1 those in favor?

2 (A chorus of ayes.)

3 CHAIRMAN ANDERBERG: Opposed?

4 (No response.)

5 CHAIRMAN ANDERBERG: The ayes have it.

6 Ms. Granda?

7 GRANDA: Good morning, everyone. Due to the
8 short time between May 31st and the printing of the
9 Board book, the financial reports were not included
10 in your Board books, but they are included in your
11 manila folders, and that will be the financial
12 statement and the financial analysis.

13 Our total revenues, our total annual
14 revenues, equals \$5.4 million and are \$817,000 or
15 17.9 percent higher than budget. It was mentioned
16 earlier it was due to higher closing fees in the
17 month of May.

18 In May, the Authority generated \$725,000
19 in closing fees, which is almost \$435,000 higher
20 than the monthly budget of \$291,000. Our total
21 annual expenses equals \$3,000,000 and are
22 \$1.5 million or 32.9 percent lower than budget,
23 which was mostly driven by our budgeted staff
24 positions and our reduction on the professional

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1 services.
 2 In May, the Authority recorded operating
 3 expenses of \$347,000, which is lower by \$65,000 from
 4 the budgeted amount of \$412,000. The Authority
 5 posted higher operating expenses in May, compared to
 6 the previous month, due to payments made to the
 7 Office of the Auditor General in the amount of
 8 \$132,000 in payments made to the financial advisor
 9 for our SRF program in the amount of roughly about
 10 \$30,000.

11 Our total monthly net income for May is
 12 \$497,000. And again, that is due to higher than
 13 expected closing fees. Our total annual net income
 14 is \$2.9 million.

15 Again, the major driver for the annual
 16 positive bottom line continues to be the level of
 17 overall spending at 32.9 percent below budget, as
 18 well as higher closing administrative fees and the
 19 transfer that we have received from our debt service
 20 reserve funds from the Series 1996 Clinic of Altgeld
 21 that was received back in August of 2016.

22 The Authority continues to maintain a
 23 strong balance sheet. Our general fund has a net
 24 position of \$56.7 million. Our total assets are at
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1 \$57.2 million, consisting of cash investment and
 2 receivables.

3 Our unrestricted cash and investments
 4 total \$42.1 million. As far as our audit, our
 5 fieldwork for the fiscal year 2017 financial audit,
 6 and the two-year compliance examination, began on
 7 May 30th.

8 The auditors are going to be in the
 9 premises until June 30th, and they will return
 10 approximately after Labor Day to finish the
 11 fieldwork.

12 Is there any questions?

13 YONOVER: Chris, you have indicated that the
 14 accounts receivable that was generated, as a result
 15 of the budget impasse, 58 percent of it was retired?
 16 MEISTER: Oh, no. That is -- that was separate
 17 issues. The 58 percent was from a legacy bond
 18 backed by the State's moral obligation, dating to
 19 2006, to a State Statutory Special District, the
 20 Illinois Medical District Commission on the west
 21 side.

22 YONOVER: Okay.

23 MEISTER: That could have been triggered by a
 24 revenue shortfall, and that process would have

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1 flowed through the Authority, specifically a letter
 2 written by our Chairman to the Governor, and then
 3 the Governor then writing to the General Assembly.

4 So that was a separate issue. The status
 5 on the State receivables, Sir, what is that status?

6 GRANDA: So roughly right now, we have still a
 7 balance of about \$90,000. I am working with the

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8 various agencies to actually get the balance back or
9 have them pay it back.

10 There is a couple issues that I have with
11 one of the agencies that we're trying to do a
12 reconciliation, but we're hoping to get this
13 finalized before the year end, which will be
14 June 30th.

15 YONOVER: And when we did this, I recall we
16 also granted some money to the Chicago Housing
17 Authority, one of the housing authorities. Has that
18 been repaid?

19 MEISTER: Actually, it was to Catholic
20 Charities. That was repaid in full, and that was?

21 GRANDA: \$580,000.

22 MEISTER: \$580,000. And then there was also an
23 advance of a moral obligation contingent taxpayer
24 guarantee that was done to a statutory entity that

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1 issues bonds called Southwestern Illinois
2 Development Authority.

3 And, actually, in our audited financials,
4 which we reviewed this morning, which we will be
5 distributing to the Committee in advance of the July
6 meeting, our aspects involved with the budget
7 impasse for fiscal year 2016 are documented in our
8 management discussion and analysis. And I'll
9 highlight that to you, but that will be coming to
10 the Board in advance of August.

11 But our exposure at this time is this

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12 approximately \$90,000, and then the stream of prompt
13 payment, one percent a month interest, which when
14 was the last time we received a prompt payment?

15 GRANDA: It was in April. We received about
16 \$8,000.

17 YONOVER: Okay. All right. Thank you, both.
18 CHAIRMAN ANDERBERG: Any more questions on the
19 financial reports for Ms. Granda?

20 Hearing none, I would like to request a
21 motion to accept the financial reports.

22 GOETZ: So moved.

23 OBERNAGEL: Second.

24 CHAIRMAN ANDERBERG: All those in favor?

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12

1 (A chorus of ayes.)

2 CHAIRMAN ANDERBERG: Opposed?

3 (No response.)

4 CHAIRMAN ANDERBERG: The ayes have it. Deputy
5 Counsel Burns, procurement?

6 BURN: Good morning. On the current

7 procurement focus remains on the Clean Water

8 Initiative State Revolving Fund underwriter

9 solicitation, and subject to the Board's subsequent
10 approval today, we are moving now into the contract
11 stage where the solicitation essentially will be
12 complete, with the exception of signing up all those
13 selected to be on the various approved lists, as I'm
14 getting them signed up to a contract.

15 We hope that process will be completed in
16 the next couple of weeks. Any questions?

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17 CHAIRMAN ANDERBERG: We'll go on to Committee
18 reports by Chair Bronner.

19 BRONNER: Yes. Thank you, Mr. Chairman. The
20 Audit Plus Committee met earlier this morning and
21 voted unanimously to recommend for approval of the
22 resolution approving and confirming various

23 engagements relating to procurements for
24 underwriters for the State of Illinois Clean Water
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1 Initiative State Revolving Fund, which is on today's
2 agenda.

3 Likewise, the Audit Plus Committee
4 recommends for approval the Authority's fiscal year
5 2016 financial audit. This was considered by the
6 Committee for recommendation to the full Board, not
7 at the June meeting, but at the July meeting of the
8 full Board, and that is my report.

9 CHAIRMAN ANDERBERG: Okay, thank you.

10 Mr. Horne?

11 HORNE: Yes. Thank you, Mr. Chairman. The
12 Tax-exempt Conduit Transactions Committee met this
13 morning and voted unanimously to recommend the
14 approval for the matters that are on today's agenda.

15 They include three beginning farmers
16 bonds, the Rosalind Franklin University, and Erikson
17 Institute proposals.

18 CHAIRMAN ANDERBERG: We'll move on to the
19 presentation and consideration of the Project
20 Reports and Resolutions.

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21 I would like to ask for the general
22 counsel, excuse me, general consent of the Members
23 to consider the Project Reports and Resolutions
24 collectively, and to have a subsequent recorded vote
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1 applied to each respective individual Project and
2 Resolution, unless there are any specific Project
3 Reports and Resolutions that a Member would like to
4 consider separately.

5 Hearing none, I would like to ask the
6 Staff Members of the Project Reports and Resolutions
7 will be considered collectively. Mr. Evans?

8 EVANS: Thank you. Today we have three
9 beginning farmer bonds. All bonds will have a first
10 mortgage position.

11 The first borrower is Patrick S. Gibson,
12 who is purchasing 32.7 acres of bare farm real
13 estate, with additional 5 acres of a plant nursery.
14 Total cost of this purchase is \$268,225 or \$7,678
15 per acre.

16 First Mid-Illinois Bank and Trust will
17 finance 50 percent of the purchase price or
18 \$134,363. They will utilize FSA50/50 beginning
19 farmer program.

20 As stated, IFA will have a first position
21 of the property being purchased. FSA will have a
22 second position relating to their fifty percent
23 guarantee. The property is located on the northwest
24 corner of Madison County. The terms and conditions

MARZULLO REPORTING AGENCY (312) 321-9365
Page 12

1 are in body inn the write-up.
 2 The next two borrowers relate to two
 3 brothers and a wife who are purchasing property from
 4 their parents. It's understood that appraisal will
 5 be completed, prior to closing these bonds, to
 6 comply with IFA requirements.
 7 As they are two brothers, the net two
 8 loans will mock each other. There are two
 9 borrowers. The first one is Adam Phillip and
 10 Michelle Lynn walk, and the second one is Seth and
 11 Emily Jo Walk.
 12 Each will be purchasing 20 acres of bare
 13 land real estate. The total cost of each is
 14 \$187,000 or \$93,350 per acre. People's State Bank
 15 in Newton will finance 50 percent of each purchase
 16 price or \$93,500.
 17 They will utilize the FSA50/50 beginning
 18 farmer program. And, as stated, IFA will be the
 19 first mortgage position on each of the 20-acre
 20 tract. FSA will have a second position relating to
 21 their 50 percent guarantee.
 22 The property are located on the Southeast
 23 corner of Effingham County, and the terms and
 24 conditions of these bonds are identified in the
 MARZULLO REPORTING AGENCY (312) 321-9365

1 write-up.
 2 CHAIRMAN ANDERBERG: Okay, thank you.
 Page 13

3 Mr. Frampton?

4 FRAMPTON: Thank you. Next, we'll move on to
 5 agenda item 2, which is a one-time consideration a
 6 Final Bond Resolution for Rosalind Franklin
 7 University for a refunding bond project and a second
 8 financing for a new research building.
 9 The payment obligation for all four series
 10 of bonds will be on Rosalind Franklin University.
 11 They'll be pledging all of their unrestricted
 12 revenues to secure all four series of bonds.
 13 In terms of how the financing is being
 14 executed, this is really two distinct financings in
 15 one. If you turn to page 2 of the presentation, you
 16 will see there are two sources and uses tables for
 17 the transaction.
 18 The first is for the refunding bonds, for
 19 which Rosalind Franklin will be the direct obligor.
 20 That is traditional refunding deal. The bonds that
 21 will be refunded were originally issued in 2003 and
 22 2012.
 23 So in terms of the proposed sources and
 24 uses, this is a preliminary subject to change. The
 MARZULLO REPORTING AGENCY (312) 321-9365

±

1 anticipated amount of the Series A refunding bonds
 2 is \$56.6 million. In addition to that, there is a
 3 second series, taxable series, to pay swap
 4 termination fees.
 5 Because the interest rate swap, in
 6 connection with the 2003 bonds was not executed
 7 until 2007, that swap is not integrated. Hence, as
 Page 14

8 a result, the financing of that swap termination fee
9 can only be done on a taxable basis, rather than a
10 tax-exempt basis. So that's the refunding portion
11 of the deal.

12 The new building project is detailed in
13 the second sources and uses of fund table at the
14 bottom of page 2. It is also comprised of two
15 series. The research building project will be a
16 multi-tenant building.

17 Rosalind Franklin will be subdividing the
18 building. It will be effectively a multi-unit
19 office condo project. There will be both qualified
20 tax-exempt users, and those users will be the
21 beneficiaries of the tax-exempt Series C bonds,
22 approximately \$30.7 million as estimated.

23 There will also be a D Series, which will
24 be for all of the for-profit users. So based on

MARZULLO REPORTING AGENCY (312) 321-9365

18

1 their estimates, they think 35 to 40 percent of the
2 100,000 square feet will be leased to for-profit
3 users.

4 All that being said, Rosalind Franklin is
5 -- will be undertaking this as effectively as a
6 lease revenue bond project. Rosalind Franklin will
7 be the obligated party, but they are entering into a
8 development and lease-back agreement with an
9 organization known as Tuff RUMSI LLC.

10 The University engaged Tuff as through an
11 RFP to develop the research building project. But

Page 15

12 as far as the bondholders are concerned, and the
13 rating agencies are concerned, Rosalind Franklin is
14 providing an unconditional pledge of all their
15 unrestricted operating revenues, which will secure
16 all series of bonds.

17 They have applied to S&P and Fitch for
18 ratings. They will be going public with one or more
19 ratings from Fitch and/or S&P, and the bonds will be
20 rated on that basis.

21 If you turn to page 14, we show how -- we
22 report how Rosalind Franklin would be able to
23 service the debt associated with all four series of
24 2017 bonds. The proforma debt coverage ratio that's

MARZULLO REPORTING AGENCY (312) 321-9365

19

1 reported in the fourth row from the bottom on page
2 14, reports the proforma debt coverage based on 2016
3 revenues, and that is consistent with what the
4 rating agencies require.

5 These rating agencies require for an
6 investment grade credit. So, essentially, this is a
7 deal for Rosalind Franklin. It is more complicated,
8 based on the lease-back structure on the office
9 building.

10 I would also add they built flexibility
11 into this transaction to allow for a subsequent new
12 markets tax credit takeout of the Series D bonds.

13 If that were to come to pass, that could
14 generate anywhere from four-and-a-half to \$6,000,000
15 in forgivable subordinate debt that would be
16 forgiven after seven years. So that would help

Page 16

17 de-leverage the project.

18 So with that, I'll conclude my remarks and
19 take any questions you may have.

20 CHAIRMAN ANDERBERG: Thank you, Rich.

21 FRAMPTON: Thank you very much.

22 CHAIRMAN ANDERBERG: Brad?

23 FLETCHER: Mr. Chairman, Members, next is tab 3

24 in your Board books, which is a Final Bond

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20

1 Resolution on behalf of Erikson Institute in a
2 not-to-exceed amount of \$32.5 million.

3 Erikson Institute is seeking to convert
4 its variable rate debt currently outstanding in the
5 capital markets into Bank-held debt to a direct
6 purchase structure, which would be considered a
7 refunding for tax purposes.

8 The borrower issued \$32.5 million through
9 IFA previously in 2007 to finance the cost of the
10 acquisition, build-out and equipping of four floors
11 located at 451 North LaSalle for its graduate school
12 in northern downtown.

13 The series 2007 bonds are currently
14 secured by a letter of credit issued by Bank of
15 America, which will otherwise expire this coming
16 November.

17 Approval of this Bond Resolution will
18 allow Northern Trust Company to purchase
19 approximately \$20,000,000 of the outstanding debt,
20 which will be referred to as the Series 2017A bond,

Page 17

21 and allow First Midwest Bank will purchase the
22 balance of the remaining debt, approximately
23 \$10.86 million, which will be referred to as the
24 Series 2017B bonds. Each bank will hold the debt on

MARZULLO REPORTING AGENCY (312) 321-9365

21

1 its respective portfolios for an initial term of
2 five years.

3 I did want to note that a superseding
4 resolution for this project has been provided in
5 your Manila folders, which replaced the resolution
6 in the Board book itself.

7 This superseding resolution simply
8 provides flexibility for IFA to conduct a TEFR
9 hearing at a future date, most likely within the
10 next two weeks, should Bond Counsel determine there
11 is a need, based on their ongoing tax analysis.

12 So the resolution you will be voting on,
13 again, is being provided in your Manila folders. As
14 has been customary for borrowers seeking to exit
15 their letter of credit structures, and enter into
16 bank direct purchase structures, we are providing a
17 discounted fee.

18 Based on the current expected issuance
19 amount, we expect that estimated fee to be just
20 under \$52,000. Are there any questions? Thank you.

21 CHAIRMAN ANDERBERG: Thank you.

22 MEISTER: I will take items No. 4 and 5 first.
23 Item 4, we had passed out red-line version of
24 item 4. This concerns the selection of underwriters

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Page 18

1 for the State Revolving Fund/Clean Water Initiative
 2 that the Finance Authority issues on behalf of our
 3 sister agency, Illinois Environmental Protection
 4 Agency.

5 We discussed this process in some detail
 6 at the Audit and Procurement meeting. I would just
 7 express my gratitude to my colleagues on the staff.
 8 Procurement in the State of Illinois is extremely
 9 resource intensive and highly regulated, and this
 10 was an extremely resource-intensive process, but I
 11 think that it came to a very good result.

12 On the bottom of page 1 and the top of
 13 page 2, we are recommending a pool of senior
 14 managers, starting with Citigroup and going down to
 15 William Blair, numbers 1 through 14, per the
 16 procurement documents.

17 Near the top of page 2, we are
 18 recommending a co-manager pool of 1 through 10,
 19 starting with Academy and proceeding through
 20 Williams Capital Group. These are in alphabetical
 21 order, not grading rank.

22 And on page 3 -- so these pools will be
 23 good for five years with renewals; and in 2018,
 24 since we anticipate this process to be an annual
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1 process with IEPA, we will determine and come back
 2 to the Board with a process that is transparent and
 Page 19

3 objective and fair.

4 But given IEPA's needs for these bond
 5 proceeds, we closed the last of these deals in
 6 September of 2016, and IEPA has been rapidly
 7 deploying these proceeds to local governments for
 8 water and sewer projects across the state.

9 On page 3 for the 2017 projects, we are
 10 recommending senior manager lead book runner Bank of
 11 America Merrill Lynch and co-senior manager
 12 Citigroup, and then five co-managers Academy, which
 13 is a veteran-owned business; Cabrera, which is a
 14 minority-owned business; Janney Montgomery; Loop
 15 Capital Markets, located here in Chicago; and
 16 Mesrow, also located here in Chicago.

17 I recommend favorable consideration by the
 18 Board, and I'll take any questions.

19 GOETZ: Loop is also a minority-owned firm,
 20 aren't they?

21 MEISTER: Yes, they are, although they have
 22 different certifications with different governmental
 23 agencies.

24 GOETZ: Got it.

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1 MEISTER: Lerry, did I characterize that
 2 correctly?

3 KNOX: Yeah. They become large for some
 4 states.

5 MEISTER: And tab No. 5, we recommend for the
 6 Board's adoption the FY18 scheduled second Thursday
 7 of every month. It is in your Board book.
 Page 20

8 Also, in the July meeting, we will be
9 coming first to the Audit and Procurement Committee,
10 and then to the full Board with an annual budget.
11 The Authority has statutory power not only to take
12 in its own revenue, but also to spend its own
13 revenue, and we'll be coming back to you in July
14 with that.

15 CHAI RMAN ANDERBERG: Thank you, Chris. Okay.
16 I would like to request a motion to pass and adopt
17 the following Project Reports and Resolutions: Item
18 1A, 1B, 1C, 2, 3, 4, and 5.

19 BRONNER: Did you call my name?

20 CHAI RMAN ANDERBERG: No, not yet. Not yet. Is
21 there such a motion?

22 GOETZ: So moved.

23 CHAI RMAN ANDERBERG: We have a motion. And a
24 second?

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25

1 JURACEK: Second.

2 CHAI RMAN ANDERBERG: We have a second.

3 FLETCHER: Motion by Mr. Goetz and second by

4 Ms. Juracek. I'll call the roll.

5 Ms. Bronner on the line?

6 BRONNER: Yes.

7 FLETCHER: Mr. Goetz?

8 GOETZ: Yes.

9 FLETCHER: Mr. Fuentes?

10 FUENTES: Yes.

11 FLETCHER: Mr. Horne?

Page 21

12 HORNE: Yes.

13 FLETCHER: Ms. Juracek?

14 JURACEK: Yes.

15 FLETCHER: Mr. Knox?

16 KNOX: Yes.

17 FLETCHER: Mr. McCoy?

18 MCCOY: Yes.

19 FLETCHER: Mr. Obernagel?

20 OBERNAGEL: Yes.

21 FLETCHER: Mr. Poole?

22 POOLE: Yes.

23 FLETCHER: Ms. Smoots?

24 SMOOTS: Yes.

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26

1 FLETCHER: Mr. Yonover?

2 YONOVER: Yes.

3 FLETCHER: Mr. Chai rman?

4 CHAI RMAN ANDERBERG: Yes.

5 FLETCHER: Mr. Chai rman, the motion carries.

6 CHAI RMAN ANDERBERG: Thank you. Chris wants to
7 speak about something, but is there any business to
8 come before the Members? Okay, Chris.

9 MEISTER: Members of the Authority, in your
10 Manila packet, we have an extensive press packet.

11 Some of you may have read about the various rating
12 agency downgrades of the State, and the budget
13 situation, we've attempted to provide a digestible
14 set of articles and documents for you to review.

15 As a conduit issuer, where we are
16 generally separate from the State's credit, the

Page 22

17 markets and the lenders, and the bond buyers
 18 typically look through our name to the underlying
 19 financial strength of the borrower.
 20 However, there are certain categories of
 21 borrowers that have a degree of interconnectedness
 22 with State appropriations, and the rating agencies,
 23 and the markets, the buyers of these bonds recognize
 24 this.

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1 I do want to -- so that is available, and
 2 again, if any Members have questions on this, this
 3 is a complex topic. I'm happy to answer them
 4 afterwards.

5 There is one article that I want to bring
 6 to everybody's attention. It is the first article
 7 under the press packet. It was from something
 8 called the Cook County Record, which is a litigation
 9 media outlet from John Billel dated June 7th at
 10 close to 6:00 p.m. last night.

11 There is ongoing litigation in Federal
 12 Court in Judge Lefkowitz's chambers about
 13 prioritization of certain Medicaid-related payments.
 14 This is important for two reasons: Number one, a
 15 large number of our healthcare borrowers, the
 16 nonprofit hospitals, are reliant upon this stream of
 17 revenue.

18 So we do have a business mission and
 19 reason to follow this, but this litigation has also
 20 raised certain issues of federal and state law, with

Page 23

21 respect to priority of payment, with respect
 22 specifically to state general obligation bond debt.
 23 So the order that was entered yesterday
 24 encouraged parties to come back on June the 20th. I

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28

1 think this could, and I underscore "could," have
 2 implications for what we do every day at the
 3 Authority, but we will not know the answer to that
 4 until June 30th or beyond.

5 Again, this is a particularly informed
 6 Board, but this is something that I expect to be an
 7 issue that I expect to be getting press in the next
 8 few weeks. And obviously if we get any information
 9 on this, we'll inform the Board.

10 CHAIRMAN ANDERBERG: Thank you, Chris. With
 11 that, I would like to request a motion to excuse the
 12 absences of Members unable to participate today.

13 Did we have a motion?

14 KNOX: So moved.

15 CHAIRMAN ANDERBERG: We have a motion from
 16 Mr. Knox. Is there a second?

17 GOETZ: Second.

18 CHAIRMAN ANDERBERG: We have a second from
 19 Mr. Goetz. All those in favor?

20 (A chorus of ayes.)

21 CHAIRMAN ANDERBERG: Opposed?

22 (No response.)

23 CHAIRMAN ANDERBERG: The ayes have it. Is
 24 there public comment to come before the Members?

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1 Okay, the next regularly-scheduled meeting
2 will be July 13th, 2017. I would like to request a
3 motion to adjourn.
4 GOETZ: So moved.
5 OBERNAGEL: Second.
6 CHAIRMAN ANDERBERG: All those in favor?
7 (A chorus of ayes.)
8 CHAIRMAN ANDERBERG: Opposed?
9 (No response.)
10 CHAIRMAN ANDERBERG: The ayes have it.
11 FLETCHER: The time is 10:08 a.m.
12 (WHICH WERE ALL THE PROCEEDINGS HAD AT 10:08 A.M.)
13
14
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MARZULLO REPORTING AGENCY (312) 321-9365

1 STATE OF ILLINOIS }
2 COUNTY OF COOK } SS:
Page 25

4 PAMELA A. MARZULLO, C.S.R., being first duly sworn,
5 says that she is a court reporter doing business in the city
6 of Chicago; that she reported in shorthand the proceedings
7 had at the Proceedings of said cause; that the foregoing is
8 a true and correct transcript of her shorthand notes, so
9 taken as aforesaid, and contains all the proceedings of said
10 hearing.
11

PAMELA A. MARZULLO
License No. 084-001624

MARZULLO REPORTING AGENCY (312) 321-9365

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

June 8, 2017

11 YEAS

0 NAYS

0 PRESENT

NV	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	E	O'Brien	E	Zeller
Y	Horne	Y	Obernagel	Y	Mr. Chairman
Y	Juracek	Y	Poole		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JUNE 8, 2017 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

Y Bronner
(VIA AUDIO CONFERENCE)
Y Fuentes
Y Goetz
Y Horne
Y Juracek

Y Knox
Y McCoy
E O'Brien
Y Obernagel
Y Poole

Y Smoots
Y Yonover
E Zeller
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
MAY 11, 2017 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

Y Bronner
(VIA AUDIO CONFERENCE)

Y Knox

Y Smoots

Y Fuentes

Y McCoy

Y Yonover

Y Goetz

E O'Brien

E Zeller

Y Horne

Y Obernagel

Y Mr. Chairman

Y Juracek

Y Poole

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2017-0608-AG1A
 BEGINNING FARMER REVENUE BOND – PATRICK S. GIBSON
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2017-0608-AG1B
 BEGINNING FARMER REVENUE BOND – ADAM PHILIP AND MICHELLE LYNN
 WALK
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

June 8, 2017

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2017-0608-AG1C
 BEGINNING FARMER REVENUE BOND – SETH ROBERT AND EMILY JO WALK
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

June 8, 2017

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

ROLL CALL

RESOLUTION 2017-0608-NP02

(I) \$80,000,000 (NOT-TO-EXCEED) ROSALIND FRANKLIN UNIVERSITY OF MEDICINE & SCIENCE (SERIES 2017A TAX-EXEMPT REFUNDING BONDS AND SERIES 2017B TAXABLE BONDS) AND (II) \$60,000,000 (NOT-TO-EXCEED) SERIES 2017C TAX-EXEMPT PROJECT BONDS AND SERIES 2017D TAXABLE PROJECT BONDS (ROSALIND FRANKLIN UNIVERSITY RESEARCH BUILDING PROJECT, A PROJECT TO BE DEVELOPED AND OWNED BY TUFF RFUMS 1 LLC, BUT PAYABLE SOLELY BY ROSALIND FRANKLIN UNIVERSITY OF MEDICINE AND SCIENCE FROM AMOUNTS UNDER A FACILITIES LEASE
FINAL (ONE-TIME CONSIDERATION)
PASSED*

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

Y Bronner
(VIA AUDIO CONFERENCE)

Y Knox
Y McCoy
E O'Brien
Y Obernagel
Y Poole

Y Smoots
Y Yonover
E Zeller
Y Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

ROLL CALL

RESOLUTION 2017-0608-AD03

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$32,500,000
 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING
 BONDS, SERIES 2017 (ERIKSON INSTITUTE); AUTHORIZING THE EXECUTION AND
 DELIVERY OF ONE OR MORE BOND AND LOAN AGREEMENTS, A TAX EXEMPTION
 CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING
 RELATED MATTERS
 ADOPTED*

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

Y Bronner
 (VIA AUDIO CONFERENCE)

Y Knox

Y Smoots

Y Fuentes

Y McCoy

Y Yonover

Y Goetz

E O'Brien

E Zeller

Y Horne

Y Obernagel

Y Mr. Chairman

Y Juracek

Y Poole

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2017-0608-AD04
 RESOLUTION APPROVING AND CONFIRMING VARIOUS ENGAGEMENTS RELATING
 TO PROCUREMENTS FOR UNDERWRITERS FOR THE STATE OF ILLINOIS CLEAN
 WATER INITIATIVE STATE REVOLVING FUND
 ADOPTED*

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2017-0608-AD06
 RESOLUTION APPROVING THE SCHEDULE OF REGULAR MEETINGS FOR FISCAL
 YEAR 2018
 ADOPTED*

June 8, 2017

12 YEAS

0 NAYS

0 PRESENT

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

* – Consent Agenda

E – Denotes Excused Absence

Date: July 13, 2017

To: Eric Anderberg, Chairman
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 June 30, 2017***

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

FISCAL YEAR 2017-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. **Estimated Total Annual Revenues** equal **\$5.7** million and are \$724 thousand or **14.6%** higher than budget due primarily to **higher** closing fees. Closing fees year-to-date of \$4.1 million are \$583 thousand or 16.7% **higher** than budget. Annual fees of \$319 thousand are \$104 thousand higher than the budgeted amount. Administrative service fees of \$219 thousand are \$164 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 \$37 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 \$716 thousand (which represents a declining asset since 2014). Estimated Net investment income position is at \$284 thousand for the fiscal year and is \$75 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.

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 was \$642 thousand compared to (unaudited) FY2016 total \$ 742 thousand.

- b. In **June**, the Authority generated \$185 thousand in closing fees, lower than the monthly budgeted amount of \$291 thousand. Closing fees were received from: *Franciscan Communities, Inc.* for \$129 thousand; *Erikson Institute* for \$53 thousand; and one beginning farmer bond for \$3 thousand. In June, net investment gain was \$35 thousand.
- c. **Estimated Total Annual Expenses** of \$3.4 million were \$1.5 million or 30.5% 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 \$2.9 million; with each function at 26.4% and 40.3% under budget, respectively. Annual occupancy costs of \$175 thousand are 14.9% lower than budget, while general and administrative costs are \$336 thousand for the year, which is 17.1% lower than budget. Total depreciation costs are \$18 thousand and 28.1% 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 \$5.1 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 **June**, the Authority recorded operating expenses of \$397 thousand, which was lower than the monthly budgeted amount of \$412 thousand. The Authority posted higher operating expenses in June compared to previous months due to accruals for legal fees in the amount of \$80 thousand, financial advisor fees in the amount of \$20 thousand, audit expenses in the amount of \$50 thousand and investment management fees in the amount of \$3 thousand.
- e. **Estimated Total Monthly Net Loss** of \$76 thousand was driven by lower than expected closing fees and higher expenses due to the year-end accruals.
- f. **Estimated Total Annual Net Income** is \$2.9 million. The major driver of the annual positive bottom line continues to be the level of overall spending at 30.5% below budget, as well as higher closing fees, higher administrative service fees, higher annual fees and the transfer received from the debt service reserve fund from the Series 1996 Clinic in Altgeld, Inc. Project bond issue.

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

The Authority, as of June 30, 2017, is a \$122.4 million agency which also currently accounts for \$300 million in total activity (including the Other State of Illinois Debt Fund). The Authority's bond limitation is \$28.15 billion as of June 30, 2017; the remaining capacity is \$3.0 billion. The principal amount of outstanding debt is \$25.1 billion.

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 \$56.6 million. The total assets in the General Fund are \$57.0 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$41.8 million (with \$16.1 million in cash). Notes receivables from the former Illinois Rural Bond Bank local governments total \$12.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at \$3.3 million.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

- a. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of \$444 thousand. In Fiscal Year 2017, two new loans were disbursed for a total of \$700 thousand under the Fire Truck Revolving Loan program and fifteen new loans were disbursed for a total of \$1.5 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 \$23.0 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 June 30, 2017, the Agricultural Loan Guarantee Fund has Restricted Net Position of \$10.1 million and the Agribusiness Fund has Restricted Net Position of \$7.9 million. 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 \$11.5 million as of June 30, 2017

- b. All other nonmajor funds recorded total year-to-date revenues of \$385 thousand. Year-to-date expenses total \$30 thousand as of June 30, 2017. Total Net Position in the remaining non-major funds is \$37.9 million.
- c. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of \$5 thousand in the custody of the Authority.
- d. The Illinois Finance Authority NFP Development Fund has a total net position of \$13thousand.

5. AUTHORITY AUDITS AND REGULATORY UPDATES

The first phase of the fieldwork for the Fiscal Year 2017 Financial Audit Examination and the two-year Compliance Audit Examination ended on June 30, 2017. The second phase of the fieldwork for the Fiscal Year 2017 Financial Audit Examination and the two-year Compliance Audit Examination will begin September 5, 2017.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

The Fiscal Year Comparison of Bonds Issued, The Fiscal Year 2017 Bonds Issued, Schedule of Debt, and the State of Illinois Receivables Summary are being presented as supplementary financial information, immediately following the financial reports in your Board package.

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 JUNE 30, 2017
(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	\$ 196,519	\$ 312,793	\$ 134,890	\$ 79,591	\$ 725,215	\$ 184,607	\$ 4,071,735	\$ 3,488,400	\$ 583,335	16.7%
Annual Fees	26,604	22,792	30,432	27,938	25,960	26,601	24,191	30,641	27,238	23,678	22,765	29,994	318,834	214,378	104,456	48.7%
Administrative Service Fees	161,000	-	-	-	20,000	-	10,000	7,000	-	-	20,500	-	218,500	55,000	163,500	297.3%
Application Fees	200	2,000	8,700	3,700	5,600	1,400	1,600	4,100	1,100	4,200	300	4,000	36,900	29,700	7,200	24.2%
Miscellaneous Fees	94	4,752	-	-	338	-	131	-	15,000	-	17	16,584	36,916	500	36,416	7283.2%
Interest Income-Loans	69,733	68,858	69,694	69,615	69,169	69,203	74,988	22,384	50,643	50,618	50,592	50,579	716,076	829,370	(113,294)	-13.7%
Other Revenue	191	191	190	-	9,506	177	-	180	172	166	165	165	11,103	144,000	(132,897)	-92.3%
Total Operating Revenue:	\$ 487,860	\$ 577,746	\$ 854,439	\$ 315,003	\$ 563,079	\$ 434,631	\$ 307,429	\$ 377,098	\$ 229,043	\$ 158,253	\$ 819,554	\$ 285,929	\$ 5,410,064	\$ 4,761,348	\$ 648,716	13.6%
Operating Expenses:																
Employee Related Expense	\$ 155,025	\$ 147,885	\$ 170,978	\$ 137,770	\$ 138,406	\$ 134,906	\$ 155,791	\$ 154,498	\$ 153,680	\$ 151,417	\$ 140,643	\$ 147,254	\$ 1,788,253	\$ 2,430,389	\$ (642,136)	-26.4%
Professional Services	45,724	60,685	89,585	75,798	81,641	64,762	143,680	50,177	68,888	67,271	162,047	213,898	1,124,156	1,883,037	(758,881)	-40.3%
Occupancy Costs	14,105	13,292	17,476	11,994	16,652	14,748	15,087	14,626	12,520	16,791	16,516	11,353	175,160	205,750	(30,590)	-14.9%
General & Administrative	28,385	29,354	26,935	26,112	25,458	37,602	35,127	24,839	26,298	26,223	26,886	22,879	336,098	405,435	(69,337)	-17.1%
Depreciation and Amortization	2,180	2,153	1,504	1,504	1,504	1,504	1,504	1,504	1,136	1,136	1,160	1,177	17,966	25,000	(7,034)	-28.1%
Total Operating Expense	\$ 245,419	\$ 253,369	\$ 306,478	\$ 253,178	\$ 263,661	\$ 253,522	\$ 351,189	\$ 245,644	\$ 262,522	\$ 262,838	\$ 347,252	\$ 396,561	\$ 3,441,633	\$ 4,949,611	\$ (1,507,978)	-30.5%
Operating Income(Loss)	\$ 242,441	\$ 324,377	\$ 547,961	\$ 61,825	\$ 299,418	\$ 181,109	\$ (43,760)	\$ 131,454	\$ (33,479)	\$ (104,585)	\$ 472,302	\$ (110,632)	\$ 1,968,431	\$ (188,263)	\$ 2,156,694	1145.6%
Nonoperating Revenues (Expenses)																
Miscellaneous Non-Operatg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,500)	\$ 1,500	-100.0%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	4,221	4,221	10,000	(5,779)	-57.8%
Interest and Investment Income*	15,017	21,911	123,568	15,493	17,776	21,022	23,719	28,870	25,238	25,358	29,232	34,572	381,776	313,873	67,903	21.6%
Realized Gain (Loss) on Sale of Invests	(2,890)	(298)	(626)	(105)	(317)	(230)	(1,578)	(7,370)	(2,126)	(2,321)	(2,045)	(3,848)	(23,754)	6,211	(29,965)	-482.5%
Net Appreciation (Depr) in FV of Invests	(14,294)	(20,518)	3,005	(7,744)	(26,990)	2,534	6,609	(4,923)	(14,964)	1,531	(2,541)	-	(78,295)	(119,438)	41,143	-34.4%
Total Nonoperating Rev (Exp)	\$ (2,167)	\$ 1,095	\$ 125,947	\$ 7,644	\$ (9,531)	\$ 23,326	\$ 28,750	\$ 16,577	\$ 8,148	\$ 24,568	\$ 24,646	\$ 34,945	\$ 283,948	\$ 209,146	\$ 74,802	35.8%
Net Income (Loss) Before Transfers	\$ 240,274	\$ 325,472	\$ 673,908	\$ 69,469	\$ 289,887	\$ 204,435	\$ (15,010)	\$ 148,031	\$ (25,331)	\$ (80,017)	\$ 496,948	\$ (75,687)	\$ 2,252,379	\$ 20,883	\$ 2,231,496	10685.7%
Transfers:																
Transfers in from other funds	\$ 107,795	\$ 1,502,594	\$ 3,030,647	\$ 6,405	\$ 828,836	\$ 231,336	\$ 8,815	\$ 2,850	\$ -	\$ 7,789	\$ -	\$ -	\$ 5,727,067	\$ -	\$ 5,727,067	0.0%
Transfers out to other funds	(107,795)	(1,502,594)	(3,030,647)	(6,405)	(228,358)	(231,304)	(8,815)	(2,850)	-	(7,789)	-	-	(5,126,557)	-	(5,126,557)	0.0%
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ 600,478	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,510	\$ -	\$ 600,510	0.0%
Net Income (Loss)	\$ 240,274	\$ 325,472	\$ 673,908	\$ 69,469	\$ 890,365	\$ 204,467	\$ (15,010)	\$ 148,031	\$ (25,331)	\$ (80,017)	\$ 496,948	\$ (75,687)	\$ 2,852,889	\$ 20,883	\$ 2,832,006	13561.3%

*Interest and Investment income for the month of June are estimates

**Year to Date Net Appreciation (Depr) in FV of Investments are as of May 31, 2017

The information above does not include the resolution of the State Receivables.



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
FOR FISCAL YEAR 2017 AS OF JUNE 30, 2017
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND*	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:							
Closing Fees	\$ 4,071,735	\$ -	\$ -	\$ -	\$ 4,071,735	\$ 4,071,735	\$ -
Annual Fees	318,834	-	-	-	318,834	318,834	-
Administrative Service Fees	218,500	-	-	-	218,500	218,500	-
Application Fees	36,900	-	-	-	36,900	36,900	-
Miscellaneous Fees	36,916	443,831	-	107	480,854	480,854	-
Interest Income-Loans	716,076	14,954	-	33,304	764,334	764,334	-
Other Revenue	11,103	-	-	1,107	12,210	12,210	-
Total Operating Revenue:	\$ 5,410,064	\$ 458,785	\$ -	\$ 34,518	\$ 5,903,367	\$ 5,903,367	\$ -
Operating Expenses:							
Employee Related Expense	\$ 1,788,253	\$ -	\$ -	\$ -	\$ 1,788,253	\$ 1,788,253	\$ -
Professional Services	1,124,156	1,251	1,229	26,539	1,153,175	1,153,175	-
Occupancy Costs	175,160	-	-	-	175,160	175,160	-
General & Administrative	336,098	-	-	36	336,134	336,134	-
Interest Expense	-	-	-	2,939	2,939	2,939	-
Depreciation and Amortization	17,966	-	-	-	17,966	17,966	-
Total Operating Expense	\$ 3,441,633	\$ 1,251	\$ 1,229	\$ 29,514	\$ 3,473,627	\$ 3,473,627	\$ -
Operating Income(Loss)	\$ 1,968,431	\$ 457,534	\$ (1,229)	\$ 5,004	\$ 2,429,740	\$ 2,429,740	\$ -
Nonoperating Revenues (Expenses):							
Miscellaneous non-opertg rev/(exp)	\$ -	\$ -	\$ -	\$ 143,895	\$ 143,895	\$ 143,895	\$ -
Interest and investment income*	381,776	16,637	16,312	300,235	714,960	714,960	19
Realized Gain (Loss) on sale of investment	(23,754)	(343)	(1,044)	(2,257)	(27,398)	(27,398)	-
Net Appreciation (Depr) in fair value of investments**	(78,295)	(3,212)	1,212	(91,498)	(171,793)	(171,793)	-
Total Nonoperating Revenues (Expenses)	\$ 283,948	\$ 13,082	\$ 16,480	\$ 350,375	\$ 663,885	\$ 663,885	\$ 19
Net Income (Loss) Before Transfers	\$ 2,252,379	\$ 470,616	\$ 15,251	\$ 355,379	\$ 3,093,625	\$ 3,093,625	\$ 19
Transfers:							
Transfers in from other funds	\$ 5,727,067	\$ -	\$ -	\$ 417,678	\$ 6,144,745	\$ 6,144,745	\$ -
Transfers out to other funds	(5,126,557)	-	-	(1,018,188)	(6,144,745)	(6,144,745)	-
Total Transfers In (Out)	\$ 600,510	\$ -	\$ -	\$ (600,510)	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 2,852,889	\$ 470,616	\$ 15,251	\$ (245,131)	\$ 3,093,625	\$ 3,093,625	\$ 19

*Interest and Investment income for the month of June are estimates

**Net Appreciation (Depr) in FV of Invests are as of May 31, 2017

The information above does not include the resolution of the State Receivables.



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
June 30, 2017

(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	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:							
Current Assets:							
Unrestricted:							
Cash & cash equivalents	\$ 16,120,522	\$ -	\$ -	\$ 49,798	\$ 16,170,320	\$ 16,170,320	\$ -
Investments	18,708,477	-	-	2,427,781	21,136,258	21,136,258	-
Accounts receivable, Net	72,810	-	-	-	72,810	72,810	-
Loans receivables, Net	115,634	-	-	-	115,634	115,634	-
Accrued interest receivable	529,230	-	-	11,000	540,230	540,230	-
Bonds and notes receivable	1,604,100	-	-	-	1,604,100	1,604,100	-
Due from other funds	11,510	-	-	-	11,510	11,510	-
Prepaid Expenses	39,746	-	-	-	39,746	39,746	-
Total Current Unrestricted Assets	\$ 37,202,029	\$ -	\$ -	\$ 2,488,579	\$ 39,690,608	\$ 39,690,608	\$ -
Restricted:							
Cash & Cash Equivalents	\$ -	\$ 693,872	\$ 742,837	\$ 2,567,083	\$ 4,003,792	\$ 4,003,792	\$ 4,763
Investments	-	2,117,788	1,818,098	6,276,613	10,212,499	10,212,499	-
Accrued interest receivable	-	53,948	3,400	33,262	90,610	90,610	-
Due from other funds	-	-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-	-
Loans receivables, Net	-	1,743,938	264,320	1,130,883	3,139,141	3,139,141	-
Total Current Restricted Assets	\$ -	\$ 4,609,546	\$ 2,828,655	\$ 10,007,841	\$ 17,446,042	\$ 17,446,042	\$ 4,763
Total Current Assets	\$ 37,202,029	\$ 4,609,546	\$ 2,828,655	\$ 12,496,420	\$ 57,136,650	\$ 57,136,650	\$ 4,763
Non-current Assets:							
Unrestricted:							
Investments	\$ 7,020,389	\$ -	\$ -	\$ 1,836,981	\$ 8,857,370	\$ 8,857,370	\$ -
Loans receivables, Net	2,281,793	-	-	-	2,281,793	2,281,793	-
Bonds and notes receivable	10,465,037	-	-	-	10,465,037	10,465,037	-
Total Noncurrent Unrestricted Assets	\$ 19,767,219	\$ -	\$ -	\$ 1,836,981	\$ 21,604,200	\$ 21,604,200	\$ -
Restricted:							
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	5,575,176	5,575,176	5,575,176	-
Funds in the custody of the Treasurer	-	166,551	-	18,056,733	18,223,284	18,223,284	-
Accrued interest receivable	-	-	-	14,000	14,000	14,000	-
Loans receivables, Net	-	18,261,413	1,408,640	130,663	19,800,716	19,800,716	-
Bonds and notes receivable from primary government	-	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-	-
Total Noncurrent Restricted Assets	\$ -	\$ 18,427,964	\$ 1,408,640	\$ 23,776,572	\$ 43,613,176	\$ 43,613,176	\$ -
Capital Assets							
Capital Assets	\$ 803,402	\$ -	\$ -	\$ -	\$ 803,402	\$ 803,402	\$ -
Accumulated Depreciation	(790,747)	-	-	-	(790,747)	(790,747)	-
Total Capital Assets	\$ 12,655	\$ -	\$ -	\$ -	\$ 12,655	\$ 12,655	\$ -
Total Noncurrent Assets	\$ 19,779,874	\$ 18,427,964	\$ 1,408,640	\$ 25,613,553	\$ 65,230,031	\$ 65,230,031	\$ -
Total Assets	\$ 56,981,903	\$ 23,037,510	\$ 4,237,295	\$ 38,109,973	\$ 122,366,681	\$ 122,366,681	\$ 4,763
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred loss on debt refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets & Deferred Inflows of Resources	\$ 56,981,903	\$ 23,037,510	\$ 4,237,295	\$ 38,109,973	\$ 122,366,681	\$ 122,366,681	\$ 4,763



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 June 30, 2017

(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	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:							
Current Liabilities:							
Payable from unrestricted current assets:							
Accounts payable	\$ 1,698	\$ -	\$ -	\$ 400	\$ 2,098	\$ 2,098	\$ -
Accrued liabilities	114,874	-	-	-	114,874	114,874	-
Due to employees	117,956	-	-	-	117,956	117,956	-
Due to primary government	50,001	-	-	-	50,001	50,001	-
Due to other funds	11,341	-	-	-	11,341	11,341	-
Other liabilities	-	-	-	-	-	-	4,744
Unearned revenue, net of accumulated amortization	69,250	-	-	-	69,250	69,250	-
Total Current Liabilities Payable from Unrestricted Current Assets	\$ 365,120	\$ -	\$ -	\$ 400	\$ 365,520	\$ 365,520	\$ 4,744
Payable from restricted current assets:							
Accounts payable	-	-	-	1,652	1,652	1,652	-
Obligation under securities lending of the State Treasurer	-	-	-	-	-	-	-
Accrued interest payable	\$ -	\$ 300	\$ 300	\$ 1,500	\$ 2,100	\$ 2,100	\$ -
Due to other funds	-	-	-	169	169	169	-
Due to primary government	-	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	-	-
Bonds and notes payable from State component units	-	-	-	-	-	-	-
Current portion of long term debt	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Current Liabilities Payable from Restricted Current Assets	\$ -	\$ 300	\$ 300	\$ 3,321	\$ 3,921	\$ 3,921	\$ -
Total Current Liabilities	\$ 365,120	\$ 300	\$ 300	\$ 3,721	\$ 369,441	\$ 369,441	\$ 4,744
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds and notes payable from State component units	-	-	-	-	-	-	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512	248,512	-
Noncurrent loan reserve	-	-	-	-	-	-	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	\$ -	\$ -	\$ -	\$ 248,512	\$ 248,512	\$ 248,512	\$ -
Total Noncurrent Liabilities	\$ 585	\$ -	\$ -	\$ 248,512	\$ 249,097	\$ 249,097	\$ -
Total Liabilities	\$ 365,705	\$ 300	\$ 300	\$ 252,233	\$ 618,538	\$ 618,538	\$ 4,744
Net Position:							
Net Investment in Capital Assets	\$ 12,655	\$ -	\$ -	\$ -	\$ 12,655	\$ 12,655	\$ -
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	53,750,654	-	-	4,195,021	57,945,675	57,945,675	-
Current Change in Net Position	2,852,889	470,616	15,251	(245,131)	3,093,625	3,093,625	19
Total Net Position	\$ 56,616,198	\$ 23,037,210	\$ 4,236,995	\$ 37,857,740	\$ 121,748,143	\$ 121,748,143	\$ 19
Total Liabilities & Net Position	\$ 56,981,903	\$ 23,037,510	\$ 4,237,295	\$ 38,109,973	\$ 122,366,681	\$ 122,366,681	\$ 4,763



STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF July 6, 2017

As of November 1, 2015 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:

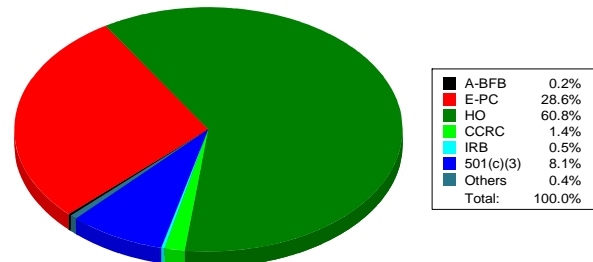
Vendor	Payment dates	Amount
Cosgrove Distributors Inc.	12/21/2015	\$9,225.92
	Payment received by IFA	<u>(\$9,225.92)</u>
	Balance due from Cosgrove Distributors	\$0.00
Grayboy Building Maintenance	12/16/2015	\$15,790.36
	Payment received by IFA	<u>(\$15,789.33)</u>
	Balance due from Grayboy Building 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>(\$3,674,162.78)</u>
	Balance due from M.J. Kellner	\$61,973.52
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		\$4,877,558.25
Balance due from State of Illinois Assigned/Purchased Receivables		<u>\$94,393.40</u>

Bonds Issued - Fiscal Year Comparison for the Period Ending June 30, 2017

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>

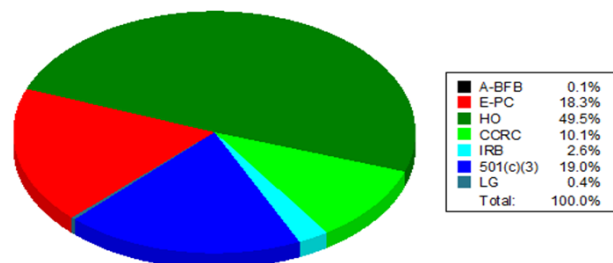
Bonds Issued in Fiscal Year 2015



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>

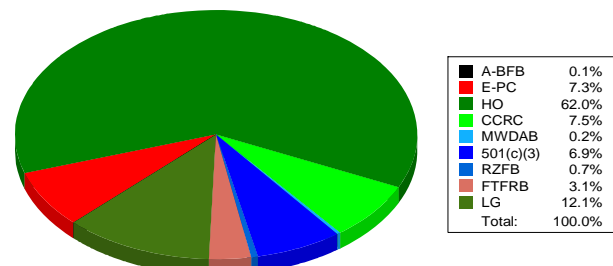
Bonds Issued in Fiscal Year 2016



Fiscal Year 2017

#	Market Sector	Principal Issued
16	Agriculture - Beginner Farmer	3,578,900
7	Education	304,222,000
1	Freight Transfer Facilities Bonds	130,000,000
12	Healthcare - Hospital	2,568,650,000
7	Healthcare - CCRC	310,364,967
1	Midwest Disaster Area Bonds	9,969,162
9	501(c)(3) Not-for-Profit	286,772,000
2	Recovery Zone Facilities Bonds	28,951,409
1	Local Government	500,000,000
<u>56</u>		<u>\$4,142,508,438</u>

Bonds Issued in Fiscal Year 2017



Bond Issuance Analysis

The Authority issued \$105,164,300 in conduit debt during the month of June, 2017. This is 65% lower than June, 2016 at \$298,925,000. This is also 73% lower than the previous month's issuance at \$391,478,328. Total issuance for FY 2017 is \$4,142,508,438. This is 9% higher than the fiscal year ending June 30, 2016 at \$3,779,532,495. The IFA issued two conduit bonds and one beginner farmer bond in June, 2017. These bonds are 2.54% of the total issuance for the FY 2017.



***Bonds Issued and Outstanding
as of
June 30, 2017***

Bonds Issued between July 01, 2016 and June 30, 2017

<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	1,569,900	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
501(c)(3)	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
CCRC	The Moorings of Arlington Heights, LLC	09/30/2016	Fixed at Schedule	69,615,000	2,094,528
HO	The University of Chicago Medical Center	11/02/2016	Fixed at Schedule	187,320,000	187,320,000
501(c)(3)	Museum of Contemporary Art Chicago	10/27/2016	Variable	30,000,000	0
HO	The Carle Foundation A&B	11/08/2016	Variable	184,385,000	56,000,000

HO	The Carle Foundation A&B	11/08/2016	Variable	50,000,000	0
HO	Swedish Covenant Hospital Series 2016A	12/12/2016	Fixed at Schedule	107,725,000	49,525,000
501(c)(3)	Ness HealthCare NFP	11/10/2016	Fixed at Schedule	31,490,000	0
HO	Rehabilitation Institute of Chicago	12/01/2016	Variable	274,055,000	274,055,000
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
HO	Swedish Covenant Hospital - B&C	12/14/2016	Variable	49,200,000	49,200,000
501(c)(3)	Oak Park Residence Corporation	01/05/2017	Fixed at Schedule	20,000,000	17,000,000
A-BFB	Beginning Farmer Bond	01/01/2017	Variable	2,009,000	0
HO	Southern Illinois Healthcare Enterprises, Inc.	02/16/2017	Fixed at Schedule	78,890,000	0
CCRC	Covenant Retirement Communities, Inc.	02/01/2017	Variable	52,070,000	52,070,000
HO	Edward-Elmhurst Healthcare	02/14/2017	Fixed at Schedule	288,175,000	288,175,000
RZFB	Smart Hotels, LLC	03/09/2017	Variable	19,651,409	19,651,409
HO	Harrisburg Medical Center	03/14/2017	Variable	19,500,000	0
FTFRB	CenterPoint Properties/CenterPoint Joliet Terminal Railroad,	03/23/2017	Variable	130,000,000	0
RZFB	Muirfield West LLC - Camcraft, Inc. Project	04/26/2017	Variable	9,300,000	0
CCRC	The Lodge of Northbrook	05/04/2017	Fixed at Schedule	20,160,000	0
E-PC	Pacific Oaks Education Corporation	05/18/2017	Variable	18,400,000	0
CCRC	Montgomery Place	05/04/2017	Fixed at Schedule	31,085,000	31,085,000

MWDAB	P. O. B. Development, LLC	05/01/2017	Variable	9,969,162	9,969,162
CCRC	Westminster Village, Inc.	05/11/2017	Variable	30,825,167	0
HO	Ann & Robert H. Lurie Children's Hospital of Chicago	05/31/2017	Fixed at Schedule	135,480,000	135,480,000
501(c)(3)	Museum of Science and Industry	05/30/2017	Variable	60,000,000	60,000,000
501(c)(3)	Better Housing Foundation	05/25/2017	Fixed at Schedule	51,805,000	0
E-PC	Benedictine University	05/30/2017	Fixed at Schedule	33,195,000	30,000,000
CCRC	Franciscan Communities, Inc.	06/28/2017	Fixed at Schedule	74,109,800	74,109,800
E-PC	Erikson Institute Project	06/29/2017	Variable	30,872,000	30,500,000

Total Bonds Issued as of June 30, 2017 \$ 4,142,508,438 \$ 2,863,881,899

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 June 30, 2017

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/29/2016	3.25	122,400	40.00	Jasper
09/08/2016	3.25	401,000	45.00	Edgar
09/08/2016	3.00	83,750	45.00	Richland
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
12/30/2016	3.25	520,000	97.17	Montgomery
12/30/2016	3.25	105,500	40.00	Richland
02/16/2017	3.25	192,500	37.00	Jasper
02/16/2017	3.39	135,000	60.00	Jasper
02/28/2017	3.00	520,000	120.00	Montgomery
03/10/2017	3.25	132,500	37.00	Jasper
04/06/2017	3.00	287,500	61.00	Ford
05/12/2017	3.5	258,000	80.00	Effingham
05/18/2017	3.625	301,000	57.00	Montgomery
06/22/2017	3.00	182,500	62.00	Shelby
Total Beginner Farmer Bonds Issued		<u><u>\$ 3,578,900</u></u>	<u><u>960.72</u></u>	

AG Guarantees Funded between July 01, 2016 and June 30, 2017

<u>Date Funded</u>	<u>Loan Proceeds</u>	<u>County</u>
09/14/2016	357,588	Livingston
09/14/2016	1,000,000	Lee
Total Ag Guarantees Issued	<u><u>\$ 1,357,588</u></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	June 30, 2017		
Illinois Finance Authority "IFA" ^[b]					
	Agriculture	\$	48,260,274	\$	51,839,174
	Education		4,445,960,359		4,345,951,386
	Healthcare		14,405,422,474		15,265,699,341
	Industrial Development [includes Recovery Zone/Midwest Disaster]		777,192,893		889,671,685
	Local Government		315,810,000		725,285,000
	Multifamily/Senior Housing		157,262,660		153,127,575
	501(c)(3) Not-for Profits		1,565,340,114		1,665,996,057
	Exempt Facilities Bonds		149,915,000		149,915,000
1	Total IFA Principal Outstanding	\$	21,865,163,774	\$	23,247,485,218
Illinois Development Finance Authority "IDFA" ^[b]					
	Education		496,388		496,388
	Healthcare		77,000,000		73,600,000
	Industrial Development		205,383,747		171,430,244
	Local Government		263,060,103		222,207,364
	Multifamily/Senior Housing		83,679,117		82,249,117
	501(c)(3) Not-for Profits		607,654,373		519,192,342
	Exempt Facilities Bonds				
	Total IDFA Principal Outstanding	\$	1,237,273,728	\$	1,069,175,454
Illinois Rural Bond Bank "IRBB" ^[b]					
	Total IRBB Principal Outstanding	\$	-	\$	-
	Illinois Health Facilities Authority "IHFA"	\$	617,984,999	\$	294,285,000
	Illinois Educational Facilities Authority "IEFA"	\$	537,193,000	\$	490,472,000
	Illinois Farm Development Authority "IFDA" ^[f]	\$	13,436,353	\$	13,436,353
	Total Illinois Finance Authority Debt	\$	24,271,051,854	\$	25,114,854,025
				\$	28,150,000,000
				\$	3,035,145,975

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	June 30, 2017		
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	14,050,000		
Total General Moral Obligations	\$ 34,885,000	\$ 14,050,000	\$ 150,000,000	\$ 135,950,000
* 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	599,372,488		
Total State Component Unit Bonds	\$ 99,938,207	\$ 599,372,488		

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	June 30, 2017	
Midwestern Disaster Area Bonds [Flood Relief]	\$ 64,440,918	\$ 63,634,933	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	June 30, 2017		
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	June 30, 2017		
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	June 30, 2017			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,120,351*	\$ 6,824,437	\$ 5,966,448	\$ 160,000,000	\$ 154,033,552	\$ 5,071,581
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$7,936,382*	\$ 7,111,930	\$ 3,229,087	\$ 225,000,000 ^[e]	\$ 221,770,913	\$ 2,744,702
Agri Industry Loan Guarantee Program	\$ 3,693,098	\$ 532,147			452,325
Farm Purchase Guarantee Program	886,805	866,646			736,649
Specialized Livestock Guarantee Program	1,681,563	1,251,934			1,064,122
Young Farmer Loan Guarantee Program	850,464	578,360			491,606
Total State Guarantees	\$ 13,936,368	\$ 9,195,535	\$ 385,000,000	\$ 375,804,465	\$ 7,816,283

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	June 30, 2017	
155 Fire Truck Revolving Loan Program Fund # 572	\$ 21,265,564	\$ 20,057,851	\$ 2,921,323 *
22 Ambulance Revolving Loan Program Fund # 334	\$ 247,280	\$ 1,672,960	\$ 2,556,699 *

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	June 30, 2017		
Environmental [Large Business]				
Issued through IFA	\$ 15,535,000	\$ 14,475,000		
Issued through IDFA	110,520,000	97,505,000		
Total Environmental [Large Business]	\$ 126,055,000	\$ 111,980,000	\$ 2,425,000,000	\$ 2,313,020,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 126,055,000	\$ 111,980,000	\$ 2,500,000,000	\$ 2,388,020,000

Illinois Finance Authority Funds at Risk

Section VII

	Original Amount	Principal Outstanding	
		June 30, 2016	June 30, 2017
Participation Loans			
Business & Industry	23,020,158	422,129	99,724
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	422,129	99,724
Plus: Legacy IDFA Loans in Default		843,173	936,358
Less: Allowance for Doubtful Accounts		960,726	938,353
Total Participation Loans		288,943	97,729
Local Government Direct Loans	1,289,750	103,000	627,638
Rural Bond Bank Local Government Note Receivable		17,179,937	12,069,137 *
FmHA Loans	963,250	185,778	163,518
Renewable Energy [RED Fund]	2,000,000	1,206,055	1,107,838
Total Loans Outstanding	34,353,017	18,963,713	14,065,860
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	June 30, 2017		
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,^[h] Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.^[i] 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]^[j] Includes EPA Clean Water Revolving Fund

* Balances as of June 30, 2017 are estimated and subject to change.

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

I. CONTRACTS/AMENDMENTS EXECUTED					
<i>Illinois Procurement Code-Small Purchases</i>	Vendor	Initial Term	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
	MX Save	06/13/2017-06/12/2018	\$588	Purchased via Small Purchase with incumbent.	Disaster Recovery/Mailbag Service.
	United Parcel Service	07/01/2017-11/21/2017	\$2,000	Continued with State Master CPOGS15001. Expire 11/21/17.	Package Delivery.
	Chicago's On Time Courier (formerly The On Time Courier) <i>[pending signing]</i>	07/01/2017-07/31/2019	\$4,000	Renewed with State Master CMS6914970	Messenger Service.
	AT&T	07/01/2017-08/01/2019	\$325	BOA Agreement executed	AT&T online fax services

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

II. CONTRACTS/AMENDMENTS EXECUTED (cont'd)					
<i>Illinois Procurement Code-Exempt transaction</i>	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
	Citigroup Global Markets Inc.	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Goldman, Sachs & Co. LLC	TBD	N/A	Contract in process	Underwriters for State of Illinois Revolving Fund
	Jefferies LLC	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	J.P. Morgan Securities LLC	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Merrill Lynch, Pierce, Fenner & Smith Incorporated	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Morgan Stanley & Co. LLC	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Piper Jaffray & Co.	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	PNC Capital Markets LLC	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	RBC Capital Markets, LLC	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Samuel A. Ramirez & Company, Inc.	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Siebert, Cisneros, Shank & Co., L.L.C.	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Stifel, Nicolaus & Company, Incorporated	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Wells Fargo Bank, N.A.	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	William Blair & Company, L.L.C.	06/27/2017-06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

II. CONTRACTS/AMENDMENTS EXECUTED (cont'd)					
<i>Illinois Procurement Code-exempt transaction</i>	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
	Academy Securities, Inc.	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Cabrera Capital Markets LLC	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	First Tennessee National Bank N.A. DBA FTN Financial Capital Markets	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Hilltop Securities Inc.	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Hutchinson, Shockey, Erley & Co.	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	J.J.B. Hilliard, W.L. Lyons, LLC	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Janney Montgomery Scott LLC	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Loop Capital Markets LLC	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	Mesirow Financial, Inc.	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund
	The Williams Capital Group, L.P.	06/27/2017- 06/26/2022	N/A	Contract executed	Underwriters for State of Illinois Revolving Fund

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

III. EXPIRING CONTRACTS					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
Illinois Procurement Code-Small Purchases	First American Bank (formerly HPL & S, Inc.)	06/30/2017	\$5,000	Plan assets to pay costs; no contract with IFA necessary	401A Plan Services.
	CDW Government LLC	06/30/2017	\$264	In process for Proposed Small Purchase Procurement	Smart Net, Cisco firewall 5510.
	GoDaddy	08/10/2017	\$543	Purchase again via Small Purchase with incumbent.	Web Hosting Server.
	P.D. Morrison Enterprises	08/23/2017	\$50,000/5 yrs.	Continue with State Master 4017241. Expires 08/23/17.	Office Supplies.
	Bloomberg Finance L.P.	09/08/2017	\$42,000/2 yrs.	Purchase again as a brand name product per waiver and SPOD.	Shared license for 6 users.
	Anchor Staffing	09/28/2017	\$79,081	Vendor replaced. Will not be renewed.	Temporary staffing services.
	Wellspring Software, Inc.	10/16/2017	\$140	Purchase again via Small Purchase with incumbent.	PrintBoss Software for printing checks.
	Datalock	10/24/2017	\$265	Purchase again via Small Purchase with incumbent.	Mt Vernon shredding.
	Marzullo Reporting Agency, Inc.	10/31/2017	\$15,000/16 mo.	Continue with State Master. State may do RFP process. Expires 10/23/17	Transcription for Monthly Board Meeting.
	United Parcel Service	11/21/2017	\$2,000/5 mo.	Continue with State Master CPOGS15001, expires 11/21/2017. Two 1 year renewals available.	Package delivery services
	Network Solutions	12/20/2017	\$38	Purchase again via Small Purchase with incumbent.	For site URL.

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	Illinois Department of Human Services	12/31/2017	\$98	Purchase again via Small Purchase with incumbent.	Printing Services
	Mountain Valley Cooler Rental Mt Vernon	12/31/2017	\$96	Purchase again via Small Purchase with incumbent.	Rental
<i>Illinois Procurement Code-Emergency Purchase</i>	ADP TotalSource	12/31/2017	\$270,000	Use State Master CMS4819650, with Mesirow, expires 4/30/18, one 1 year renewal remaining	Employee Benefit and Payroll Services

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	Xerox Color Copier - Chgo	01/31/2018	\$5,860	Replace and lease	Lease for color copier
	DropBox	02/18/2018	\$1,670	Purchase again via Small Purchase with incumbent.	File Sharing for Board books
	First Choice Services renewal	02/25/2018	\$800	Purchase again via Small Purchase with incumbent.	Annual Water Filtration Lease
	National Tek Services, Inc	02/28/2018	\$16,601	RFQ	Symantec Backup Services 3 year renewal
	National Tek Services, Inc.	03/25/2018	\$1,750	Renew license	Trend Micro Enterprise Security for EndPoint
<i>Illinois Procurement Code-Competitive Bids</i>	Acacia Financial Group, Inc.	03/01/2018	\$225,000	RFP/Exemption	Financial Advisors
	Sycamore Advisors, LLC	03/01/2018	\$225,000	RFP/Exemption	Financial Advisors
<i>Illinois Procurement Code-Small Purchases</i>	National Tek Services, Inc	03/31/2018	\$1,245	Renew license	MailArchiva software
	Tallgrass Systems	03/31/2018	\$4,491	Purchase again via Small Purchase with incumbent.	Barracuda energizer updates and replacement
	Tallgrass Systems Limited 2017-2018	03/31/2018	\$1,649	Purchase again via Small Purchase with incumbent.	Barracuda 300A Technology Refresh
	United States Postal Service	03/31/2018	\$356	Purchase again via Small Purchase with incumbent.	PO Box 2016
<i>Illinois Procurement Code-Order Against Master</i>	Mesirow Insurance Services	04/04/2018	\$297,900	Continue with State Master CMS4819650, expires 4/30/18, one 1 year renewal remaining	Insurance Brokering Services
<i>Illinois Procurement Code-Small Purchases</i>	Com Microfilm Company, Inc. (Doc Image)	04/17/2018	\$75,000	State in process of RFP. Continue with State Master	Document Imaging

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

**BOARD OF DIRECTORS MEETING
July 13, 2017**

EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	National Tek Services, Inc.-ADM Manage	04/19/2018	\$1,480	Purchase again via Small Purchase with incumbent.	Manage Engine ADMManager
	Marcor Technologies	05/6/2018	\$4,500	RFQ	MailArchiva Support 3 years
	Arbitrage Compliance Specialists	05/31/2018	\$49,000	RFP	Arbitrage Liability Calculation Services/Bond Comp
	Hewlett Packard Enterprise	05/31/2018	\$5,627	Purchase again via Small Purchase with incumbent.	Hardware Support Care Packs
	MX Save	06/12/2018	\$588	Purchase again via Small Purchase with incumbent.	Disaster Recovery for email
	GoDaddy	06/14/2018	\$150	Purchase again via Small Purchase with incumbent.	SSL Certificate for Mobile Device Management
	Merlinos & Associates	06/15/2018	\$45,040	TBD	Actuarial Services
<i>Illinois Procurement Code-Competitive Bids</i>	Ascent Innovations	06/23/2018	\$155,128	Renewals available for \$42K/yr.	Accounting Software Maintenance and Support
<i>Illinois Procurement Code-Small Purchases</i>	3rd Coast Imaging, Inc.	06/30/2018	\$10,000	TBD	Printing Services for Monthly Board Books
	Com Microfilm Company, Inc. (Maint&Supp)	06/30/2018	\$7,230	Continue with State Master. State in process with RFP	Docuware Maintenance and Support
	Novanis IT Solutions	06/30/2018	\$203	Purchase again via Small Purchase with incumbent.	Encryption of laptops
	Presidio Networked Solutions	06/30/2018	\$3,292	Continue with new State Master. Contract in process.	Production Support/Subscription VMWare

Item No. 1 has been withdrawn.

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\$95,000,000 (not-to-exceed)

Bradley University

July 13, 2017

REQUEST	<p>Purpose: Bond proceeds, together with certain other funds, will be used by Bradley University (“Bradley” or the “University”) to (i) currently refund, in one or more series, all or a portion of the Illinois Finance Authority Revenue Bonds (Bradley University Project) Series 2007A (the “Series 2007A Bonds” or the “Prior Bonds”); (ii) fund, in one or more series, a portion of the expenditures relating to the construction, equipping, and development of the University’s Business and Engineering Complex (a.k.a., the “Convergence Center” Project), which is expected to be an approximately five-story, 271,000 square foot educational facility located on Bradley University’s main campus located at 1501 W. Bradley Ave. in Peoria (Peoria County), Illinois; and, (iii) paying certain expenses incurred in connection with the issuance of the Series 2017 Bonds and the refunding of the Prior Bonds, if deemed necessary or advisable by the University, all as permitted by the Act (and collectively with the refunding of the Prior Bonds and issuance of Bonds for the Convergence Center Project, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds – Educational Facilities</p> <p>Extraordinary Conditions: None.</p>																						
BOARD ACTION	Final Bond Resolution (<i>One-time consideration</i>)																						
MATERIAL CHANGES	Not applicable. This is the first time this financing is being presented.																						
JOB DATA	969 Current jobs N/A Retained jobs	*See Note New jobs projected (1-2 years) 115 Construction jobs projected (36 months)	<p>*Note: The University presently anticipates that the new Convergence Center will initially replace existing Engineering and Business office, classroom, lab, and related educational facilities – no new faculty or staff additions are contemplated presently. Nevertheless, the University expects to add additional faculty and staff at some future time based on future enrollment growth and demand for its engineering and business programs.</p>																				
DESCRIPTION	<ul style="list-style-type: none"> Location: Peoria / Peoria County / North Central Type of entity: The University, a 501(c)(3) organization incorporated under Illinois law, is a private, co-educational institution of higher learning founded in 1897 that is currently governed by a 24-member Board of Trustees (see p. 7). 																						
CREDIT INDICATORS	<ul style="list-style-type: none"> S&P Global Ratings downgraded the University’s long-term debt rating from ‘A’ to ‘A-’ as of 4/28/2017 with a stable outlook. This 4/28/2017 ratings assignment reflected the impact of the proposed \$50 million not-to-exceed <u>Series 2017A-B New Money Project Bonds on the University’s and the associated increase in debt service payments.</u> The University’s Series 2007A Bonds are its only outstanding debt in the market sold based directly on the University’s underlying ‘A-’ debt rating. (The University’s other outstanding bonds (IFA Series 2008A-B Bonds with \$63.77 MM combined principal outstanding) are LOC-secured by PNC Bank, N.A. with scheduled maturities due in 2033 and 2038.) 																						
STRUCTURE	<ul style="list-style-type: none"> Series 2017A-B New Money Project Bonds: The estimated not-to-exceed \$50MM new money bond issue will be purchased directly by PNC Bank, N.A. (Peoria) and Morton Community Bank (each will purchase a \$25MM series). The Series 2017A-B Bonds will not be rated (although the impact of this new debt will be reflected in the S&P rating for the Series 2017C Refunding Bonds, which (if issued) will be sold directly into the market with a new rating). <ul style="list-style-type: none"> <u>Interest Rates:</u> initial 5-year rates to reflect market conditions at closing (estimated range: 2.25% to 2.75%) <u>Final Maturity:</u> not-to-exceed 40 years (estimated final maturity date: 30 years – preliminary; subject to change) Series 2017C Refunding Bonds: These will current 100% of the outstanding balance of the University’s Series 2007A Bonds. The University will be applying for a <u>new</u> debt rating in connection with these Series 2017C Refunding Bonds, which will reflect the impact of the University’s new Series 2017A-B New Money Bonds on the University’s financial position. The plan of finance contemplates the public offering of the Series 2017C Bonds to be underwritten by JPMorgan Securities (the “Underwriter”). <ul style="list-style-type: none"> <u>Interest Rates:</u> The Bonds will be sold at a fixed rate basis to be determined based on market conditions at the time of pricing (and potentially including both serial and term maturities). <u>Final Maturity:</u> not-to-exceed 40 years (estimated final maturity: to be determined based on rating agency input). (Note: the Series 2007A Bonds to be refunded are scheduled to mature as of 8/1/2034 – 17 years.) 																						
SOURCES AND USES – PRELIMINARY, SUBJECT TO CHANGE	<table> <tr> <td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr> <tr> <td>IFA Series 2017A-B (New Money) Project Bonds</td><td>\$50,000,000</td><td>New Project – “Convergence Center” – Engineering & Business (Drawdown Bonds)</td><td>\$98,865,000</td></tr> <tr> <td>IFA Series 2017C Refunding Bonds</td><td>45,000,000</td><td>Refunding Escrow</td><td>44,935,000</td></tr> <tr> <td>Equity (including private gifts)</td><td><u>50,000,000</u></td><td>Costs of Issuance</td><td><u>1,200,000</u></td></tr> <tr> <td>Total</td><td><u>\$145,000,000</u></td><td>Total</td><td><u>\$145,000,000</u></td></tr> </table>			Sources:		Uses:		IFA Series 2017A-B (New Money) Project Bonds	\$50,000,000	New Project – “Convergence Center” – Engineering & Business (Drawdown Bonds)	\$98,865,000	IFA Series 2017C Refunding Bonds	45,000,000	Refunding Escrow	44,935,000	Equity (including private gifts)	<u>50,000,000</u>	Costs of Issuance	<u>1,200,000</u>	Total	<u>\$145,000,000</u>	Total	<u>\$145,000,000</u>
Sources:		Uses:																					
IFA Series 2017A-B (New Money) Project Bonds	\$50,000,000	New Project – “Convergence Center” – Engineering & Business (Drawdown Bonds)	\$98,865,000																				
IFA Series 2017C Refunding Bonds	45,000,000	Refunding Escrow	44,935,000																				
Equity (including private gifts)	<u>50,000,000</u>	Costs of Issuance	<u>1,200,000</u>																				
Total	<u>\$145,000,000</u>	Total	<u>\$145,000,000</u>																				
RECOMMENDATION	Credit Review Committee recommends approval.																						

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2017**

Project: Bradley University

STATISTICS

Project Numbers: 12396 (Refunding Bonds) 12397 (New Money)		Amount:	\$95,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Peoria	County/	
		Region:	Peoria County/North Central

BOARD ACTION

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

VOTING RECORD

Not applicable. This is the first time this financing is being presented.

PURPOSES

- Provide a currently estimated not-to-exceed amount of \$50MM to finance a portion of the costs associated with the construction, equipping, and development of the University's new Engineering and Business Complex (i.e., the "**Convergence Center Project**") located at the University's campus in Peoria, Illinois. The estimated development cost of the Convergence Center Project is approximately \$100MM. Additionally, bond proceeds may also be used (if deemed necessary by the University) to fund certain costs incurred in connection with the issuance of the Series 2017A-B New Money Project Bonds.
- Current refund 100% of the outstanding balance of the University's Series 2007A Bonds with proceeds of the Series 2017C Refunding Revenue Bonds. This refunding would enable the University to refinance its 2007A Bonds and lock-in historically low market interest rates and generate cash flow savings (provided that market conditions are favorable at the proposed time of sale). Additional amounts may be issued to fund costs of issuance associated with the Series 2017C Refunding Revenue Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS – SUBJECT TO CHANGE

Sources:		Uses:	
IFA Series 2017A-B Bonds (New Money Project)	\$ 50,000,000	New - Convergence Center Project (Engineering/Business):	\$ 98,865,000
IFA Series 2017C Refunding Bonds	45,000,000	Refunding Escrow	44,935,000
Equity (including private gifts)	50,000,000	Costs of Issuance	1,200,000
Total:	<u>\$ 145,000,000</u>	Total:	<u>\$ 145,000,000</u>

JOBS

Current employment:	969 (including 345 full-time faculty)	Projected new jobs:	* See Note below
Jobs retained:	N/A	Construction jobs:	115 (36 months)

***Note:** The University presently anticipates that the new Convergence Center will replace existing Engineering and Business educational facilities. Accordingly, no new faculty or staff additions are contemplated presently.

Nevertheless, the University expects to add additional faculty and staff at some future time based on future enrollment growth and demand for its engineering and business education programs.

FINANCING SUMMARY

Structure/
Security: Each of the three series of Bonds, including the Series 2017A-B New Money Bonds and the Series 2017C Refunding Bonds, will be an unsecured general obligation of the University under the Loan Agreement for each respective series, and payable from any available funds.

Series 2017A-B – New Money Project Bonds: The Series 2017A-B New Money Project Bonds will be a general obligation of Bradley University. The \$50MM of New Money Project Bonds will be comprised of two \$25MM series. The \$25MM Series 2017A New Money Project Bonds will be purchased directly by PNC Bank, N.A (Peoria, IL) while the \$25MM Series 2017B New Money Project Bonds will be purchased directly by Morton Community Bank (Morton, IL).

Series 2017C – Refunding Revenue Bonds: The proposed Series 2017C Refunding Bonds will also be a general obligation of Bradley University and will be underwritten by JPMorgan Securities (the “**Underwriter**”) and sold based on the direct long-term credit rating of the University, which will be applying to S&P Global Ratings for a rating in connection with the Series 2017C Bonds (which will only be issued if the Refunding Bonds generate cash flow savings based on the S&P-approved structure on market conditions at the time of sale). The Series 2017C Bonds will be an unsecured general obligation of the University under the Loan Agreement payable from any available funds.

Underlying
Ratings –
Bradley
University: The Series 2007A Bonds to be refunded by the Series 2017C Refunding Bonds are held publicly and are currently rated ‘A-’ by S&P Global Ratings (assigned as of 4/28/2017). S&P’s April 2017 rating reflected the proposed debt service payments associated with the Series 2017A-B New Money Project Bonds.

The University will be applying to S&P for ratings in connection with the Series 2017C Refunding Bonds (if the Refunding Bonds generate cash flow savings at the time of application), the proceeds of which would current refund the University’s Series 2007A Bonds (which, again, were rated ‘A-’ as of 4/28/2017).

Comments relating to the University’s Series 2017A-B Bonds and Series 2008A-B Bonds:

- As bank-purchased bonds, the Series 2017A-B Bonds will not be rated (although the impact of debt service payment on the University’s operations is currently reflected in the ‘A-’ rating of the Series 2007A Bonds assigned as of 4/2/2017 and will be reflected in the ratings action for the new, Series 2017C Bonds (which would current refund the Series 2007A Bonds, as proposed)).
- The University’s Series 2008A and Series 2008B Bonds are each secured by an irrevocable Standby Letter of Credit from PNC Bank, N.A. (accordingly, the existing ratings are based on the long-term and short-term credit ratings of PNC -- which are ‘AA’ long-term and ‘A-1’ short-term). The outstanding balances of Series 2008A Bonds and

Series 2008B Bonds are \$38.38MM and \$25.39MM, respectively, and are scheduled to mature as of 4/1/2033 and 4/1/2038, respectively.

Interest Rate:

Series 2017A-B – New Money Project Bonds: Initial 5-year interest rate on the two \$25MM series of Bonds to be purchased by PNC Bank, N.A. and Morton Community Bank, respectively, will be set based on prevailing market interest rates at the time of closing (estimated at between 2.20% and 2.80% based on current market conditions as of 6/30/2017).

Series 2017C – Refunding Revenue Bonds: Interest rates to be set (serial and term bonds) based a sale into the public markets based on the University's long-term S&P debt rating (currently 'A-' on the Series 2007A Bonds, assigned as of 4/28/2017 and reflecting the issuance of the proposed New Money Series 2017A-B Bonds).

Maturity: IFA Bond Resolution Parameter – not-to-exceed 40 years (for both the Series 2017A-B Bonds and the Series 2017C Bonds)

- **Series 2017A-B New Money Project Bonds:** The final maturity of the Series 2017 Bonds is expected to be no later than 30 years.
- **Series 2017C Refunding Bonds:** To be determined based on discussions with S&P. The final maturity date on the existing Series 2007A Bonds is 8/1/2034.

Estimated

Closing Dates: September 2017 (currently anticipated for both the Series 2017A-B New Money Project Bonds and the Series 2017C Refunding Bonds)

Rationale: The Series 2017A-B New Money Project Bonds will finance \$50MM of the estimated \$100MM development cost of the University's new Convergence Center Project that will house both the College of Engineering & Technology and the College of Business. Completion of the Convergence Center Project will enable the University to attain a long-term strategic initiative of the University to provide its students and faculty in Engineering and Business with state-of-the-art educational and research facilities to enhance the University's competitive position with peer institutions both regionally and nationally.

The proposed Series 2017C Refunding Bonds will be undertaken to refinance and lock-in historically low market interest rates. The Series 2017C Refunding Bonds will only be issued if market conditions enable present value savings (and the potential reduction or smoothing of future debt service payments) subject to S&P's credit rating assignment. To the extent cash flow savings are realized by issuing the proposed Refunding Bonds, any savings would be expected to improve the University's future debt service coverage compared to the Series 2007A Bonds to be refunded.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds, to be issued in multiple series, together with certain other funds, will be used by Bradley University, an Illinois not-for-profit corporation ("**Bradley**" or the "**University**"), to provide the University with funds to be applied to (i) refund all or a portion of its Illinois Finance Authority Revenue Bonds (**Bradley University Projects**) Series 2007A (the "**Prior Bonds**"), originally issued in the aggregate principal amount of \$56,100,000, of which \$44,935,000 principal amount is currently outstanding (the original purpose of which is described further below – see p. 5); (ii) finance, or reimburse the University for payment made for, a portion of the costs of constructing, renovating, equipping and furnishing certain "educational facilities," as defined in the Illinois Finance Authority Act (the "Act"), of the University, including, but not limited to, constructing, renovating, equipping and furnishing classroom, laboratory and office space to support engineering and business programs in the University's Business and Engineering Complex (a.k.a. the Convergence Center) which complex is expected to comprised of a five-story, approximately 271,000 square foot building and related improvements (the "**Project**"); and (iii) pay certain costs relating to the issuance of the Bonds (for the Project) and the refunding of the Prior Bonds if deemed necessarily or advisable by the University (and collectively with the refinancing the Prior Bonds and the Project (i.e., the Bradley University Projects), the "**Financing Purposes**").

The proceeds of the Prior Bonds were used to (a) finance costs of (i) constructing and equipping a student recreation center, athletic support facility and parking structure, and constructing or renovating and equipping academic and

academic support facilities and student housing facilities and (ii) paying certain costs of issuance of the Prior Bonds and (b) refund the then-outstanding Illinois Development Finance Authority Revenue Bonds (Bradley University Project), Series 1999, the proceeds of which were used to finance costs of (i) constructing and equipping a student apartment complex known as St. James Place and renovating academic buildings including the Olin, Bradley and Westlake academic buildings and (ii) paying certain costs of issuance of the Series 1999 Bonds.

The facilities being so financed, refinanced or reimbursed from proceeds of the Bonds are or will be owned, operated or managed by the University at the University's campus at the address commonly known as 1501 West Bradley Avenue, Peoria, Illinois, which is bordered generally by Fredonia Avenue and Bradley Avenue to the south, University Street and Garfield Avenue to the east, Main Street, University Street and Windom Street to the north and the alley between Cooper Street and Maplewood Avenue to the west.

BUSINESS SUMMARY

Description: **Bradley University** (the “**University**” or the “**Borrower**”) was established in 1897 as a polytechnic school and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code. The University is governed by a Board of Trustees (currently comprised of 24 trustees, including the University's President (as an *ex officio* voting member) and two alumni trustees. Please see Economic Disclosure Statement on p.7 for additional information

Background: Bradley University is selective, private university in Peoria, Illinois, that offers over 5,000 undergraduate and graduate students the opportunities, choices and resources of a larger university and the personal attention and learning experience of a smaller university.

Bradley offers a comprehensive array of undergraduate and graduate academic programs in business, communications, education, engineering, fine arts, health sciences, liberal arts and sciences, and technology. The University is located on an 85-acre campus in Peoria. Bradley has over 63,000 alumni worldwide.

The University established the stand-alone Turner School of Entrepreneurship and Innovation in 2002, which was the first stand-alone school of entrepreneurship in the nation. The Turner School involves all 5 undergraduate colleges and builds upon Bradley's applied programs and entrepreneurial expertise. Bradley is headquarters for the national Collegiate Entrepreneurs' Organization (CEO). There are now CEO student chapters at 240 universities.

The University is the only comprehensive post-secondary and graduate institution based in Peoria and adjacent counties. In addition to Bradley, Peoria is home of a two-year community college Illinois Central College (with facilities in East Peoria and Peoria) and the University of Illinois College of Medicine-Peoria campus. A large comprehensive state university (Illinois State University) and three small liberal arts colleges (Illinois Wesleyan University, Knox College, and Eureka College) are all located within 45 miles. Peoria is a hub of industrial and agricultural activity and is the most populous metropolitan area in Central Illinois (according to the U.S. Census Bureau, the estimated population of the Peoria metropolitan area (SMSA) in 2016 was 376,246).

With the exception of the three original campus buildings (circa 1900), most of the campus building have been constructed since 1950. Since 2010, the University has expended over \$130 million on campus facility improvements including a new student recreation center, parking deck, new athletic field, alumni center, and a substantial renovation and expansion to one of the original campus buildings.

Faculty and Staff:

The University's highest priority is excellent teaching supported by research, scholarships and creative activities. The University's faculty members provide personalized attention in learning and academic advising, and as mentors and professional guides to their students. The University has 345 full-time faculty members, of whom 61% have tenure. Approximately 95% of the University's tenured and tenure-eligible full-time faculty members hold terminal degrees in their respective fields of study. The student faculty ratio in the fall of 2016 was 12 to 1.

Accreditations: The University is accredited as a master's-level degree-granting institution by the North Central Association of Colleges and Schools.

The University's professional accreditations for colleges, departments, and selected graduate program include the following: AACSB - The International Association for Management Education; Accreditation Board for Engineering and Technology; American Chemical Society; American Council for Construction Education; American Dietetic Association; Commission on Accreditation in Physical Therapy Education (undergraduate); Council for Accreditation of Counseling and Related Educational Programs; Council on Accreditation of Nurse Anesthesia Educational Programs; National Association of Schools of Art and Design; National Association of Schools of Music; National Council for Accreditation of Teacher Education; and, the National League for Nursing Accrediting Commission (NLNAC).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Bradley University, 1501 Bradley Avenue, Peoria, IL 61625

Contact: Mr. Gary Anna, Senior Vice President Business Affairs (and Treasurer); (T): 309.677.3150; E-mail: gma@fsmail.bradley.edu

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

Location: Bradley University's Peoria Campus – 1501 Bradley Avenue, Peoria, IL 61625

Project name: IFA Series 2017A-B (New Money Project) Revenue Bonds (Bradley University – Convergence Center Project) and
IFA Series 2017C Refunding Revenue Bonds (Bradley University)

Organizations: Bradley University is an Illinois not-for-profit corporation (and incorporated as a 501(c)(3) corporation for federal tax purposes

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Board of

Trustees: **Bradley University's Board of Trustees** (as of June 1, 2017)

Mr. Douglas S. Stewart, Chairman

Regional President
PNC Bank
Peoria, IL

The Honorable Robin Kelly
U.S. House of Representatives
Matteson, IL

Mr. Calvin G. Butler, Jr., Vice Chairman

Chief Executive Officer
Baltimore Gas & Electric
Baltimore, MD

Mr. Wayne G. Klasing
Retired President/Chief Executive Officer
Klasing Industries, Inc.
Joliet, IL

Mrs. Joan L Janssen, Secretary

Community Volunteer
Peoria, IL

Mr. Jonathan E. Michael
Chairman & CEO
RLI Corp.
Peoria, IL

Mr. Gary R. Roberts

President
Bradley University
Peoria, IL

Mr. Gary M. Peplow
Attorney and Retired Managing Partner
Heyl Royster Voelker & Allen
Peoria, IL

Mr. David P. Bozeman
Vice President
Amazon
Peoria, IL

Dr. Lindsey R. Rolston.
Orthopedic Surgeon
New Castle, IN

Mr. Gary A. Burk
Retired Chief Operating Officer / Vice Chairman
Duke Really
Indianapolis, IN

Mr. George E. Ruebenson
Retired President
Allstate Property Liability Co.
Lincolnshire, IL

Mr. Robert J. Clark
Chairman/Chief Executive Officer
3 Bear Energy, LLC
Denver, CO

Mr. George E. Ruebenson
Retired President
Allstate Property Liability Co.
Lincolnshire, IL

Ms. Cheryl D. Corley
Midwest Reporter
National Public Radio
Chicago, IL

The Honorable James Shadid
Federal Judge
Central District of Illinois
Peoria, IL

Mr. Michael Cullinan
Chairman
United Contractors Midwest
Peoria, IL

Mr. Gerald L Shaheen
Retired Group President
Caterpillar Inc.
Peoria, IL

Mr. Stephen Gorman
Chief Executive Officer
Borden Dairy Company
Dallas, TX

Mr. Mel Smith
President
Investment Concepts, Inc.
Chicago, IL

Ms. Georgina E. Heard-Labonne
Executive Director
Cosmopolitan Chamber of Commerce
Chicago, IL

Mr. Rajesh K. Soin
Chairman/Chief Executive Officer
Soin International
Dayton, OH

Mrs. Kathleen M.B. Holst
President
RCMS
Warrenville, IL

Mr. W. Philip Wilmington
Chairman
STC Capital Bancshares Corporation
St. Charles, IL

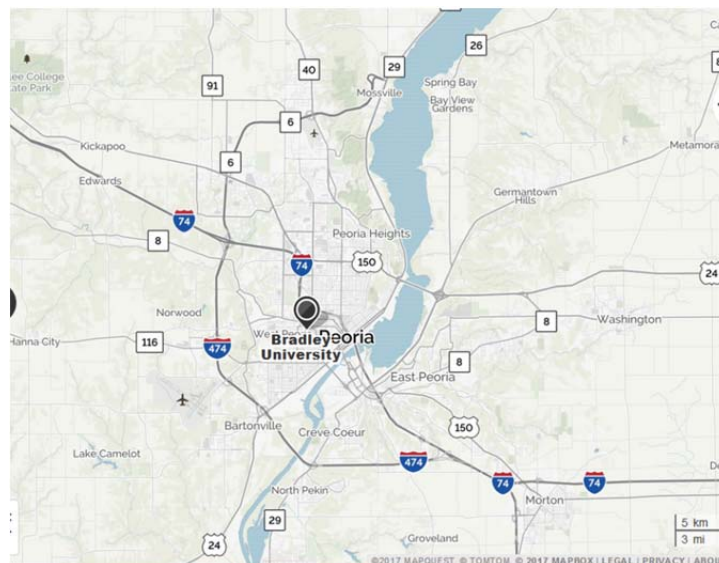
Contacts for both the Series 2017A-B New Money Bonds and the Series 2017C Refunding Bonds:

Specific Contacts for the Series 2017A-B New Money Bonds:

Specific Contacts for the Series 2017C Refunding Bonds:

LEGISLATIVE DISTRICTS

CAMPUS LOCATION – WEST OF DOWNTOWN PEORIA



July 13, 2017

\$9,500,000 (not-to-exceed amount)
YMCA of Rock River Valley

REQUEST	<p>Purpose: Bond proceeds will be used by YMCA of Rock River Valley, an Illinois not-for-profit corporation (“YMCA” or the “Borrower”), to provide the Borrower with all or a portion of the funds necessary to do any or all of the following: (i) refund the Illinois Finance Authority Revenue Bond, Series 2013 (YMCA of Rock River Valley) (the “Prior Bond”); (ii) refinance certain taxable indebtedness (the “Prior Taxable Indebtedness”) of the Borrower; (iii) finance the costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping certain facilities of the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the “Financing Purposes”).</p> <p>Program: 501(c)(3) Revenue Bonds Extraordinary Conditions: None. No IFA Funds at risk. No State Funds at risk.</p>																							
BOARD ACTION	Final Bond Resolution (<i>One-time consideration</i>)																							
MATERIAL CHANGES	None. This is the first time this financing proposal has been presented to the IFA Board of Directors.																							
JOB DATA	635	Current jobs	28	New jobs projected (<i>1 to 2 years</i>)																				
	N/A	Retained jobs	80	Construction jobs projected (<i>6 months</i>)																				
DESCRIPTION	<ul style="list-style-type: none">• Locations: Rockford and Loves Park/Winnebago County/Northern Stateline Region• Type of entity: The YMCA focuses on strengthening the spiritual, mental and physical well-being of the citizens of the greater Rockford area. YMCA of the Rock River Valley has been in existence for over 130 years (incorporated 8/30/1886) and has operated out of its flagship I.D. Pennock Family YMCA facility in Rockford since 1959, featuring more than 175,000 square feet of building space on 3 floors. The YMCA facility is seated on the Rock River and includes 15 acres of river front property in partnership with the Rockford Park District.• Additional facility locations in Rockford include the Puri Family YMCA, the YMCA Children’s Learning Center, and Camp Winnebago YMCA. YMCA of Rock River Valley also operates locations in Loves Park which include the Northeast Family YMCA and Youth Achievement YMCA.• The YMCA of Rock River Valley continues to grow throughout Winnebago County, serving more than 30,000 individuals annually. It is the third largest YMCA Association in Illinois and is ranked in the top 15 percent of YMCAs across the United States. Additionally, it has been recognized locally and nationally for its history of innovation, training and education, leadership, and the quality of their youth programs.																							
CREDIT INDICATORS	<ul style="list-style-type: none">• YMCA of Rock River Valley is a non-rated entity.• The IFA 501(c)(3) Revenue Bond Series 2017 (YMCA of Rock River Valley) will be purchased directly by Illinois Bank & Trust, a subsidiary of Heartland Financial USA, Inc. (the “Bank” or “Bond Purchaser”). The Bank will be the secured lender and the direct bond investor.																							
STRUCTURE	<ul style="list-style-type: none">• The Bank will be collateralized by a first security interest in the business assets of the Borrower and a first-priority mortgage and an assignment of rents and leases in connection with the following real properties of the Borrower, located at: (i) 200 Y Blvd., Rockford, IL (“I.D. Pennock Family YMCA”), (ii) 8451 Orth Rd., Loves Park, IL (“Northeast Family YMCA”), (iii) 1475 S. Perryville Rd., Rockford, IL (“Puri Family YMCA”), and (iv) 5804 N. Main St., Rockford, IL (“Camp Winnebago”).• Illinois Bank & Trust will establish a synthetically fixed interest rate with an initial term of 10 years. The initial interest rate will be negotiated and established prior to closing and is currently estimated at between 2.50% and 3.25%.• The final maturity of the Series 2017 Bond is expected to be no later August 1, 2037 (i.e., not-to-exceed 21 years).																							
SOURCES AND USES	<table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>Series 2017 Bond</td><td>\$9,500,000</td><td>Series 2013 Refunding</td><td>\$5,234,000</td></tr><tr><td>Equity</td><td><u>250,000</u></td><td>Project Costs</td><td>4,266,000</td></tr><tr><td></td><td></td><td>Costs of Issuance</td><td><u>250,000</u></td></tr><tr><td>Total</td><td><u>\$9,750,000</u></td><td>Total</td><td><u>\$9,750,000</u></td></tr></table>				Sources:		Uses:		Series 2017 Bond	\$9,500,000	Series 2013 Refunding	\$5,234,000	Equity	<u>250,000</u>	Project Costs	4,266,000			Costs of Issuance	<u>250,000</u>	Total	<u>\$9,750,000</u>	Total	<u>\$9,750,000</u>
Sources:		Uses:																						
Series 2017 Bond	\$9,500,000	Series 2013 Refunding	\$5,234,000																					
Equity	<u>250,000</u>	Project Costs	4,266,000																					
		Costs of Issuance	<u>250,000</u>																					
Total	<u>\$9,750,000</u>	Total	<u>\$9,750,000</u>																					
RECOMMENDATION	Credit Review Committee recommends approval.																							

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 13, 2017**

Project: **YMCA of Rock River Valley**

STATISTICS

IFA Project:	12399	Amount:	\$9,500,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Rockford	Counties/	
		Region:	Winnebago/Northern Stateline

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by **YMCA of Rock River Valley**, an Illinois not-for-profit corporation (“**YMCA**” or the “**Borrower**”), to provide the Borrower with all or a portion of the funds necessary to do any or all of the following: (i) refund the Illinois Finance Authority Revenue Bond, Series 2013 (YMCA of Rock River Valley) (the “**Prior Bond**”); (ii) refinance certain taxable indebtedness (the “**Prior Taxable Indebtedness**”) of the Borrower; (iii) finance the costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping certain facilities of the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects supporting their mission. The IFA’s issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

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

JOBS

Current employment:	635	Projected new jobs:	28 (1 to 2 years)
Jobs Retained:	N/A	Construction jobs:	80 (6 months)

SOURCES AND USES OF FUNDS

Sources:		Uses:	
Series 2017Bond	\$9,500,000	Series 2013 Refunding	\$5,234,000
Equity	<u>250,000</u>	Project Costs*	4,266,000
		Costs of Issuance	<u>250,000</u>
Total	<u>\$9,750,000</u>	Total	<u>\$9,750,000</u>

* Project Costs:

Alpine Bank & Trust Co. originated a taxable term loan in November 2016 to finance construction of the Borrower's newest facility, the Puri Family YMCA located at 1475 S. Perryville Rd., Rockford, IL. Construction is complete and project costs to be refinanced on a tax-exempt basis total approximately \$1.385MM. The facility opened in May 2017.

Alpine Bank & Trust Co. also originated a taxable term loan in December 2016 to finance ongoing renovations at the Borrower's I.D. Pennock Family YMCA located at 200 Y Blvd., Rockford, IL, in connection with Judson University's relocation of its Rockford campus to the flagship YMCA campus. Estimated construction draws advanced to the Borrower from Alpine Bank prior to closing and funding of the Series 2017 Bond are expected to total approximately \$1.400MM.

The proposed IFA Series 2017 Bond will finance on a tax-exempt basis an additional \$1.481MM of qualified costs related to the relocation of Judson University to the I.D. Pennock Family YMCA.

FINANCING SUMMARY

Structure/ Security:	<p>The IFA 501(c)(3) Revenue Bond Series 2017 (YMCA of Rock River Valley) will be purchased directly by Illinois Bank & Trust, a subsidiary of Heartland Financial USA, Inc. (the "Bank" or "Bond Purchaser"). The Bank will be the secured lender and the direct bond investor.</p> <p>The Bank will be collateralized by a first security interest in the business assets of the Borrower and a first-priority mortgage and an assignment of rents and leases in connection with the following real properties of the Borrower, located at: (i) 200 Y Blvd., Rockford, IL ("I.D. Pennock Family YMCA"), (ii) 8451 Orth Rd., Loves Park, IL ("Northeast Family YMCA"), (iii) 1475 S. Perryville Rd., Rockford, IL ("Puri Family YMCA"), and (iv) 5804 N. Main St., Rockford, IL ("Camp Winnebago").</p>
Interest Rate:	Illinois Bank & Trust will establish a synthetically fixed interest rate with an initial term of 10 years. The initial interest rate will be negotiated and established prior to closing and is currently estimated at between 2.50% and 3.25%.
Maturity:	8/1/2037 (i.e., not-to-exceed 21 years)
Estimated Closing Date:	July 2017
Rationale:	The proposed financing will reduce monthly payments that (together with other funds available to the Borrower) will assist in helping YMCA of Rock River Valley keep its fixed charges (including refinancing on a tax-exempt basis its interim construction loans) as low as possible. The savings from the proposed tax-exempt financing will also free up cash to be used for various program initiatives centered around youth development, healthy living, and social responsibility.

BUSINESS SUMMARY

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

The Borrower is currently governed by a 19-member Board of Directors. (Please see the Economic Disclosure Statement on pages 6-7 for further information.)

**History and
Background on
YMCA -**

International: The Young Men's Christian Association (commonly known as “YMCA” or simply the “Y”) is a worldwide organization with more than 57 million beneficiaries from 125 national associations. It was founded on June 6, 1844 in London and aims to put Christian principles into practice by developing a healthy "body, mind and spirit". The various local YMCAs are voluntarily affiliated through their national organizations. The national organizations in turn are part of both an Area Alliance and the World Alliance of YMCAs. The World Alliance is headquartered in Geneva, Switzerland.

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

Nationally, there are more than 2,700 local YMCA chapters located throughout the U.S.

**Background on
YMCA of Rock
River Valley:**

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

YMCA of Rock River Valley is a full service YMCA serving Winnebago County with 7 YMCA branch facilities. More than 30,000 individuals comprise the respective the YMCA of Rock River Valley community. It is the third largest YMCA Association in Illinois and is ranked in the top 15 percent of YMCAs across the United States. Additionally, it has been recognized locally and nationally for its history of innovation, training and education, leadership, and the quality of their youth programs.

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

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

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

General information on the facility financed with proceeds of the IFA Series 2013 Bond follows below:

The Northeast Family YMCA located at 8451 Orth Road in Loves Park is equipped with a training center, wellness, fitness, and exercise classes, indoor pool, locker rooms, gymnasium, youth and family center, youth fitness center, child watch and more. Northeast Family YMCA also offers physical therapy and rehabilitation services on-site through a partnership with Swedish American Health System, which leases approximately 2,600 square feet of space from YMCA of Rock River Valley.

General information on the facilities financed with the interim construction loans from Alpine Bank & Trust Co. follow below:

The Puri Family YMCA, located at 1475 S. Perryville Road in Rockford, is the newest facility in YMCA of Rock River Valley's network. Opened in Spring 2017, the interim loan financed construction of a 15,500 square foot facility offering a fitness center, exercise studios, youth family area and child watch area within a donated building from the Puri Family. It is YMCA of Rock River Valley's first 24-hour facility serving southeast Rockford and the Cherry Valley region.

The I.D. Pennock Family YMCA located at 200 Y Blvd. in Rockford in undergoing renovation financed by the interim loan to share space with Judson University in an effort to create a campus destination in downtown Rockford that is focused on helping community members pursue a healthy spirit, mind and body. Judson will relocate its campus inside the I.D. Pennock Family YMCA with classes ready to launch in Fall 2017.

Background on
Judson

University: Judson University is a fully accredited, private Christian institution representing the Church at work in higher education. Nestled along the beautiful Fox River in Elgin, Ill., just 40 miles northwest of Chicago, Judson is home to more than 1,200 students from 33 states and 20 countries. Judson offers degrees in more than 65 different majors and minors for traditional, graduate and adult students and ranks consistently among the Best Regional Universities in the Midwest by U.S. News & World Report. Judson has also been recognized as a "Christian College of Distinction". With an academically challenging environment and encouraging spiritual community, Judson shapes lives that shape the world.

Currently housed at 1055 Featherstone Drive, Judson's Rockford campus will move into the YMCA of Rock River Valley's location with classes scheduled to begin in August 2017. Classes will remain at the Featherstone location through July.

Judson University will occupy 10,000 square feet of space on the third floor and portions of the second floor of the YMCA facility. The new classrooms will offer Y members an opportunity to take evening college courses in the School of Business and Professional Studies, which offers adult undergraduate degrees in Organizational Leadership, Business Administration (with optional concentrations in Digital Marketing, Entrepreneurship, Human Resource Management or Leadership), Human Services and Applied Psychology as well as an Associate of Arts in Liberal Arts. Additionally, the Y will have access to the state-of-the art classrooms during the day to run its programs and educational initiatives.

Additionally, Judson University has committed to awarding a two-year scholarship each year to a YMCA member who is pursuing a bachelor's or associate's degree.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **YMCA of Rock River Valley**, an Illinois not-for-profit corporation (“**YMCA**” or the “**Borrower**”), to provide the Borrower with all or a portion of the funds necessary to do any or all of the following: (i) refund the Illinois Finance Authority Revenue Bond, Series 2013 (YMCA of Rock River Valley) (the “**Prior Bond**”); (ii) refinance certain taxable indebtedness (the “**Prior Taxable Indebtedness**”) of the Borrower; (iii) finance the costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping certain facilities of the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the “**Financing Purposes**”).

ECONOMIC DISCLOSURE STATEMENT

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

Contact: Mr. Jason Behrends, Chief Financial Officer, YMCA of Rock River Valley
(T): 815-489-1295; (E-mail): jbehrends@rockriverymca.org

Website: www.rockriverymca.org

Project name: IFA Revenue Bond, Series 2017 (YMCA of Rock River Valley)

Locations: The initial owner, operator or manager of the facilities being financed or refinanced with the proceeds of the Bonds is the Borrower. All of the facilities to be financed or refinanced with the proceeds of the Bonds will be located at the following addresses: (i) 200 Y Blvd., Rockford, IL (“**I.D. Pennock Family YMCA**”), (ii) 8451 Orth Rd., Loves Park, IL (“**Northeast Family YMCA**”), and (iii) 1475 S. Perryville Rd., Rockford, IL (“**Puri Family YMCA**”).

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

Board of
Directors:

Mike Broski
Entre Computer Solutions
Current Board Chair

Leslie Anderson
State Farm Insurance

Dr. Dave Gomel
Rosecrance Health Network
Chair Elect

Joe Bruscato
Winnebago County State's
Attorney's Office

Earl Dotson, Jr.
Rockford Public Schools

Michael Gann
MPEC

Rick Engen
Pharmaceuticals

Jim Zuba
Zuba & Associates, P.C.

Suzi Sullivan
Retired Teacher

J. Hanley
Hinshaw and Culbertson Law Firm

Tom Wieland
Rock Valley Oil & Chemical
Company

Bridget French
Alignment Rockford

Einar Forsman
Rockford Chamber of Commerce

Steve Rosella
Bergstrom INC

Amy Ott
Boylan Catholic High School

Dr. Kathleen Kelly
Retired
SwedishAmerican Health System

Cesar Sanchez
Alpine Bank & Trust Company

Skip Trotter
Trotter Manufacturing Inc.

Bruce Vorel
Meridian

Tenants:

<u>Facility:</u>	<u>Lessee:</u>
Northeast Family YMCA	Swedish American Health Systems Corporation Contact: Don Daniels, COO; 815-961-2437
I.D. Pennock Family YMCA	Swedish American Hospital Contact: Ann Sammons, Manager; 779-696-9700
I.D. Pennock Family YMCA	Judson University – A Baptist Institution Contact: David L. Cook, Ed.D. – Dean; 847-628-1518
I.D. Pennock Family YMCA	Subway Real Estate, LLC Contact: Pamela Blume, Owner; 815-509-6735

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Reno & Zahn	Rockford, IL	Ian Linnabary
Auditor:	Sikich LLP	Rockford, IL	
Bond Counsel:	Nixon Peabody LLP	Chicago, IL	James Broeking Julie Seymour
Bank/Direct			
Bond Purchaser:	Illinois Bank & Trust	Rockford, IL	Shelley Phillips Dennis Roop
Bank/Purchaser's Counsel:	Barrick, Switzer, Long, Balsley and Van Evera	Rockford, IL	Thomas Green
Architect:	Saavedra Gehlaussen Architects	Rockford, IL	Guy Gehlaussen
Contractor (Puri):	Schmeling Construction Co.	Rockford, IL	J. Early Wilsey
Contractor (I.D. Pennock):	Stenstrom General Contractor	Rockford, IL	Jeff Bockhop
IFA Counsel:	Miller, Hall & Triggs, LLC	Peoria, IL	Richard Joseph
IFA Financial Advisor:	Sycamore Advisors	Chicago, IL	Diana Hamilton

LEGISLATIVE DISTRICTS

	I.D. Pennock Family YMCA	Northeast Family YMCA	Puri Family YMCA
Congressional:	17	16	16
State Senate:	34	35	34
State House:	67	69	68

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: July 13, 2017

Re: Resolution Authorizing the Issuance and Sale by the Illinois Finance Authority of its Revenue Refunding Bond, Series 2017A (Chicagoland Laborers District Council Training and Apprentice Fund) and Revenue Refunding Bond, Series 2017B (Chicagoland Laborers' District Council Training and Apprentice Fund) and Loan the Proceeds Thereof to Chicagoland Laborers' District Council Training and Apprentice Fund (the "Borrower") to Refund the Illinois Finance Authority Revenue Bonds (Chicagoland Laborers' District Council Training and Apprentice Fund Project), Series 2008; Authorizing the Execution and Delivery of a Bond and Loan Agreement in Connection with the Issuance of said Bonds; and Authorizing and Approving Certain Related Documents and Matters in Connection Therewith
IFA Series 2008 File Number: N-NP-TE-CD-7180
IFA Series 2017 File Number: 12401

Request:

Chicagoland Laborers' District Council Training and Apprentice Fund, a jointly administered not-for-profit Taft Hartley trust fund (the "**Borrower**"), and **Wintrust Bank** (the "**Purchaser**"), are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement and related documents to effectuate the refinancing of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds (Chicagoland Laborers' District Council Training and Apprentice Fund Project) Series 2008 (the "Series 2008 Bonds") which were issued in the original aggregate principal amount of \$22,500,000.

The Series 2008 Bonds are currently secured by a Direct Pay Letter of Credit ("**LOC**") issued by Fifth Third Bank which otherwise expires September 10, 2017. It is anticipated that Wintrust Bank will purchase the contemplated Series 2017A Bond to be issued by the Authority in an expected amount of \$6,475,000 and the Series 2017B Bond to be issued by the Authority in an expected amount of \$6,475,000. Issuance of the two series of bonds would fully fund redemption of the Series 2008 Bonds, which were outstanding in the principal amount of \$12,950,000 as of July 1, 2017.

This transaction will be considered a refunding for tax purposes. Bond counsel has determined that a new public hearing on the project (i.e., a "**TEFRA Hearing**" as defined under the Internal Revenue Code of 1986, as amended) will not be necessary. IFA's estimated administrative fee will be \$15,900.

Impact:

Adoption of the accompanying Resolution will enable the Borrower to switch from a Direct Pay LOC-secured structure to a new Bank Direct Purchase bond structure, while also streamlining covenants on existing indebtedness (including the IFA Series 2008 Bonds). As proposed, the Series 2017A Bond will be issued at a variable rate (based on LIBOR) for an initial term of 10 years while the Series 2017B Bond will be issued at a fixed rate for an initial term of 10 years. The maturity of both series of bonds will not exceed twenty years.

Background:

The Borrower used proceeds of the IFA Series 2008 Bonds to finance or refinance the acquisition of land and the construction, renovation, remodeling and equipping of a 70,000 square foot training center located in Chicago, Illinois (the "**Project**"), certain capitalized interest on the Series 2008 Bonds and certain costs of issuance of the Series 2008 Bonds.

All payments relating to the Authority's Series 2008 Bonds are current as of 7/1/2017 and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Advisor:	William Blair & Company, LLC	Chicago, IL	Peter Raphael Mike McIntyre
Borrower's Counsel:	Dowd Bloch & Bennett	Chicago, IL	J. Peter Dowd
Borrower's Co- Counsel:	Ford & Harrison	Chicago, IL	Michael Duffee
Bond/Bank Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour James Broeking
Bond Purchaser:	Wintrust Bank	Chicago, IL	Kandace Lenti Erinn Siegel
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randy Kulat
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Siamic Afshar

RESOLUTION 2017-0713-AD__

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE ILLINOIS FINANCE AUTHORITY OF ITS REVENUE REFUNDING BOND, SERIES 2017A (CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND) AND REVENUE REFUNDING BOND, SERIES 2017B (CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND) AND THE LOAN OF THE PROCEEDS THEREOF TO CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND (THE "BORROWER") TO REFUND THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS (CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND PROJECT), SERIES 2008; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING AND APPROVING CERTAIN RELATED DOCUMENTS AND MATTERS IN CONNECTION THEREWITH.

WHEREAS, the ILLINOIS FINANCE AUTHORITY (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as amended (the "Act"); and

WHEREAS, CHICAGOLAND LABORERS' DISTRICT COUNCIL TRAINING AND APPRENTICE FUND, a jointly administered not-for-profit Taft Hartley trust fund (the "Borrower"), has requested that the Authority issue its Revenue Refunding Bond, Series 2017A (Chicagoland Laborers' District Council Training and Apprentice Fund) (the "Series 2017A Bond") and Revenue Refunding Bond, Series 2017B (Chicagoland Laborers' District Council Training and Apprentice Fund) (the "Series 2017B Bond," and together with the Series 2017A Bond, the "Bonds") in an aggregate principal amount not to exceed \$12,950,000 and loan the proceeds thereof to the Borrower to provide the Borrower with a portion of the funds necessary to

refund the Illinois Finance Authority Revenue Bonds (Chicagoland Laborers' District Council Training and Apprentice Fund), Series 2008 (the "*Prior Bonds*"), all as permitted by the Act; and

WHEREAS, the proceeds of the Prior Bonds were loaned by the Authority to the Borrower and used to (i) finance the costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping an approximately 70,000 square-foot training facility of the Borrower located at 5700 West Homer Street, Chicago, Illinois (the "*Refunded Project*"); (ii) pay a portion of the interest on the Prior Bonds; and (iii) pay certain expenses incurred in connection with the issuance of the Prior Bonds; and

WHEREAS, a draft of the Bond and Loan Agreement (the "*Bond and Loan Agreement*") among the Authority, the Borrower and Wintrust Bank, an Illinois state chartered bank (the "*Purchaser*"), pursuant to which the Purchaser will purchase the Bonds from the Authority, and the Authority will loan the proceeds from the sale of the Bonds to the Borrower, all on the terms and conditions set forth therein, and as more fully described in the Bond and Loan Agreement, has been previously provided to and is on file with the Authority;

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

SECTION 1. FINDINGS.

Based upon the representations of the Borrower, the Authority hereby makes the following findings and determinations with respect to the Bonds to be issued by the Authority and the Refunded Project:

(a) The Prior Bonds were issued for purposes which constitute valid purposes under the Act, all of the proceeds of the Prior Bonds were expended by the Borrower to pay the cost of the Refunded Project, which is an "industrial project," as defined in the Act, and the refunding of the Prior Bonds is in the public interest and will promote the expansion, retention or diversification of employment opportunities within the State of Illinois; and

(b) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

SECTION 2. THE BONDS.

In order to obtain the funds to loan to the Borrower to provide the Borrower with a portion of the funds necessary to refund the Prior Bonds, the Authority hereby authorizes the issuance of the Bonds. The Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond and Loan Agreement and proceeds of the Bonds may be disbursed directly by the Purchaser to the Borrower; provided that the maximum principal amount of Bond proceeds advanced by the Purchaser does not exceed \$12,950,000.

The Series 2017A Bond shall mature not later than 20 years from the date of issuance, shall be subject to prepayment and repayment of principal as provided in the Bond and Loan Agreement and shall bear interest initially at a fixed rate not exceeding 5.0% per annum for the initial ten-year term of the Series 2017A Bond. The interest rate on the Series 2017A Bond shall be subject to adjustment (including without limitation adjustment to a per annum interest rate in excess of 5.0%) as described in the Bond and Loan Agreement.

The Series 2017B Bond shall mature not later than 20 years from the date of issuance, shall be subject to prepayment and repayment of principal as provided in the Bond and Loan Agreement and shall bear interest initially at a variable rate established by a formula as described in the Bond

and Loan Agreement for the initial ten-year term of the Series 2017B Bond, and the interest rate on the Series 2017B Bond shall be subject to adjustment subsequent to the initial ten-year term as described in the Bond and Loan Agreement.

The Bonds shall be issued only as fully registered bonds without coupons. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond and Loan Agreement)). The Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Bonds, (ii) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement and other amounts available under Bond and Loan Agreement and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson, Vice Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined) the power and authority to make final determinations as to the respective principal amounts of the Bonds, the dated dates, maturity dates, purchase price, any mandatory repayment dates and amounts, optional or extraordinary prepayment provisions, and the initial interest rates on the Bonds, all within the parameters set forth herein.

SECTION 3. BOND AND LOAN AGREEMENT.

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

SECTION 4. AUTHORIZATION AND RATIFICATION OF SUBSEQUENT ACTS.

The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of a tax regulatory agreement, escrow agreement or other agreement providing for refunding of the Prior Bonds and any documentation relating to the coordination of the filing of the C-08 Notice of Payment of Bond Interest and/or Principal with the office of the Comptroller of the State of Illinois by a trustee, paying agent or other financial institution) as may be necessary to carry out and comply with the provisions of this Resolution and the Bond and Loan Agreement, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of

this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond and Loan Agreement or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond and Loan Agreement.

SECTION 5. PRIVATE PLACEMENT; INVESTMENT LETTER; RESTRICTIONS ON TRANSFERS.

The Authority hereby authorizes the issuance and sale of the Bond to the Purchaser on a private placement basis pursuant to the Bond and Loan Agreement; the Purchaser shall deliver an investment letter to the Authority (in the form approved by counsel to the Authority and consistent with the Authority's Bond Program Handbook) stating, among other things, that the Purchaser is either an institutional "accredited investor" within the meaning of Regulation D, Sections 501 through 506, or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended.

SECTION 6. SEVERABILITY.

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 7. CONFLICTS.

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

SECTION 8. EFFECTIVENESS.

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: July 13, 2017

Re: Resolution Authorizing the Execution and Delivery of a Supplemental Indenture, Supplementing and Amending the Indenture of Trust Securing \$135,000,000 in Original Aggregate Principal Amount of Illinois Finance Authority Recovery Zone Facility Revenue Bonds (Navistar International Corporation Project) Series 2010; Authorizing the Execution and Delivery of an Amendment to the Loan Agreement which provided for the Loan of the Proceeds of said Bonds to Navistar International Corporation; and Authorizing and Approving Related Matters
IFA File Number: I-RZ-TE-CD-8395 / 12000

Request:

Navistar International Corporation (the “**Borrower**”), a Delaware corporation, is requesting approval of a Resolution to (i) authorize the execution and delivery of Supplemental Indenture of Trust and Amendment to the Loan Agreement and (ii) approve related documents to effectuate an interest rate increase of 25 basis points on the outstanding Illinois Finance Authority Recovery Zone Facility Revenue Bonds (Navistar International Corporation Project) Series 2010 (the “**Series 2010 Bonds**”) in exchange for consideration from the majority of Series 2010 bondholders concerning technical changes to definitions throughout the bond documents that will provide more flexible financial covenants.

The Series 2010 Bonds were sold via a Limited Offering Memorandum, underwritten by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“**BofA Merrill Lynch**” or the “**Underwriter**”). The outstanding par amount of the Series 2010 Bonds was \$135,000,000 as of July 1, 2017. IFA estimated administrative fee for this interest rate reset will be \$500.

Impact:

Approval of this Resolution will provide consent to changes as agreed to by a majority of Series 2010 bondholders. Specifically, in exchange for an interest rate increase of 25 basis points, the majority of Series 2010 bondholders are providing more flexible covenants related to Limitations on Incurrence of Indebtedness and Limitations of Restricted Payments. Additionally, technical changes proposed include changes to the definitions of (i) Cash Equivalents, (ii) Original Securities, (iii) Senior Notes, (iv) Permitted Investments and (v) Permitted Liens.

Background:

Proceeds of the Series 2010 Bonds were used for the purpose (i) financing a portion of the cost of (A) acquiring, constructing, equipping and installing certain capital improvements to, and the construction of various building additions at, certain buildings located in the Village of Lisle, Illinois, for the relocation of the Company’s headquarters, and (B) improving, expanding and equipping an existing warehouse facility located in Joliet, Illinois (collectively, the “**Project**”), owned or to be owned or leased by the Company or its affiliates, (ii) paying a portion of the interest accruing on the Series 2010 Bonds during construction of the Project and (iii) paying certain costs of issuance of the Series 2010 Bonds.

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

PROFESSIONAL & FINANCIAL

Bond Counsel:	Nixon Peabody LLP	Chicago, IL	James Broeking
Trustee:	Citibank Agency & Trust	New York, NY	Catherine Hughes
			Paolo Ippolito
IFA Financial Advisor:	Sycamore Financial Advisors	Chicago, IL	Diana Hamilton

RESOLUTION No. 2016-0713-AD__

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE, SUPPLEMENTING AND AMENDING THE INDENTURE OF TRUST SECURING \$135,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY RECOVERY ZONE FACILITY REVENUE BONDS (NAVISTAR INTERNATIONAL CORPORATION PROJECT) SERIES 2010; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE LOAN AGREEMENT WHICH PROVIDED FOR THE LOAN OF THE PROCEEDS OF SAID BONDS TO NAVISTAR INTERNATIONAL CORPORATION; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “*Authority*”), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.*, as supplemented and amended (the “*Act*”), is authorized by the laws of the State of Illinois (the “*State*”), including without limitation, the Act, to issue revenue bonds for any of its purposes, including the purpose of financing the acquisition, construction, refurbishment, creation, development or redevelopment of facilities constituting “industrial projects” within the meaning of the Act; and

WHEREAS, the Authority adopted IFA Resolution No. 2010-0914-BI03 on September 14, 2010 (the “*Bond Resolution*”), authorizing the issuance of not to exceed \$145,000,000 in aggregate principal amount of its revenue bonds to finance a portion of the costs of acquiring, constructing and installing certain capital improvements to and equipment for certain facilities of Navistar International Corporation, a Delaware corporation (the “*Company*”), located in Lisle and Joliet, Illinois, constituting an “industrial project” within the meaning of the Act and eligible to be financed with recovery zone facility bonds under the Internal Revenue Code of 1986, as amended; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Resolution and the Act, the Authority issued \$135,000,000 in original aggregate principal amount of its Recovery Zone Facility Revenue Bonds (Navistar International Corporation Project) Series 2010 (the “*Series 2010 Bonds*”) under the Indenture of Trust dated as of October 1, 2010, as supplemented and amended by the First Supplemental Indenture of Trust dated August 1, 2016 (as supplemented and amended, the “*Indenture*”), between the Authority and Citibank, N.A., as trustee (the “*Trustee*”), and loaned the proceeds from the sale of the Series 2010 Bonds to the Company pursuant to the Loan Agreement dated as of October 1, 2010 (the “*Loan Agreement*”), between the Authority and the Company; and

WHEREAS, the Company wishes to amend certain provisions of the Indenture and the Loan Agreement with the consent of the owners of not less than a majority in aggregate principal amount of the Series 2010 Bonds now outstanding; and

WHEREAS, the Company has caused to be prepared and presented to the members of the Authority drafts of a Second Supplemental Indenture (the "*Supplemental Indenture*"), supplementing and amending the Indenture, and a First Amendment to Loan Agreement (the "*Loan Agreement Amendment*"), amending the Loan Agreement, for the Authority to approve and enter into;

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

Section 1. The Authority is hereby authorized to enter into the Supplemental Indenture with the Trustee in substantially the same form now before the Authority; the form, terms and provisions of the Supplemental Indenture be, and they hereby are, in all respects approved; the Chairperson, the Vice Chairperson, the Executive Director or the General Counsel of the Authority, or any person duly appointed by the members of the Authority to serve in any of such offices on an interim basis (each an "*Authorized Officer*"), be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the Supplemental Indenture to be delivered to the Trustee in substantially the form now before the Authority or with such changes therein as the Authorized Officer executing the same shall approve, such Authorized Officer's execution thereof to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any and all changes or revisions therein from the form of such Supplemental Indenture now before the Authority; when the Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, the Indenture, as supplemented and amended by the Supplemental Indenture, shall be binding on the Authority; and from and after the execution and delivery of the Supplemental Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Indenture, as supplemented and amended by the Supplemental Indenture as executed.

Section 2. The Authority is hereby authorized to enter into the Loan Agreement Amendment with the Company in substantially the same form now before the Authority; the form, terms and provisions of the Loan Agreement Amendment be, and they hereby are, in all respects approved; any Authorized Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Loan Agreement Amendment in the name, for and on behalf of the Authority, and thereupon to cause the Loan Agreement Amendment to be delivered to the Company in substantially the same form as now before the Authority or with such changes therein as

the Authorized Officer executing the same shall approve, such Authorized Officer's execution thereof to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any and all changes or revisions therein from the form of the Loan Agreement now before the Authority; when the Loan Agreement Amendment is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, the Loan Agreement, as amended by the Loan Agreement Amendment, will be binding on the Authority; and from and after the execution and delivery of the Loan Agreement Amendment, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement, as amended by the Loan Agreement Amendment as executed.

Section 3. 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 4. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

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

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher

Date: July 13, 2017

Re: Request for approval amending Exhibit A (Principal Amortization)

- 1) Original principal repayment amount was approved at \$4,478.75 at the June 8, 2017 Board Meeting

Loan # 2017-06-0001 (*Beginning Farmer Bond*) – Patrick S. Gibson

Original Approval: June 8, 2017

Original Amount: \$134,363.00

Revised Loan Amount: \$129,500.00

IFA Exposure: \$0 (Conduit Revenue Bond Issue)

The First Mid Illinois Bank & Trust (“Bank”) and **Patrick S. Gibson (“Borrower”)** have requested IFA concurrence of approval to reduce the originally approved Exhibit A, Repayment Provisions regarding annual principal repayments, from \$4,478.75 to \$4,316.67 on a Beginning Farmer Revenue Bond, originally approved June 8, 2017. The IFA Beginning Farmer Bond would be financed in connection with the Farm Service Agency’s (“FSA”) 50/50 program (under which FSA originates a subordinate loan in an equal amount to the Beginning Farmer Bond).

First Mid Illinois Bank & Trust received the final appraisal on the 32.7 acres of farmland with an additional 5 acre nursery which secures the project. The final appraisal report assigned a value that was lower than the Bank’s estimate by \$9,726.00. The final appraisal report has been reviewed and approved by the Bank and FSA and is deemed to provide adequate coverage for both the Bank-held Beginning Farmer Bond and the FSA loan. Based on the revised appraisal amount, the Exhibit A (Payment Provisions on the Bank-held IFA Beginning Farmer Bond) the amortization schedule must be revised, resulting in a reduction in the scheduled annual principal payment from \$4,478.75 (as approved at IFA’s June 8, 2017 Board Meeting) to \$4,316.67 plus accrued interest to be paid.

The Bank has submitted a copy of the appraisal report on the property. The subject property is located in Township 6 North, Range 10 West in Madison County, Godfrey Township. The loan-to-value advance rate on the Bank-held Beginning Farmer Bonds will remain at 50% in connection with Bank Purchased Bond – (*Bank secured by 1st Mortgage*) and USDA Farm Service Agency (“FSA”) 50% (*subordinate financing – 2nd Mortgage.*) **The Borrower will be injecting \$9,726.00 of cash equity to make up the shortfall associated with the appraisal amount.**

The Bank acknowledges and has taken the necessary steps to notify and approve the reduced loan and annual principal payment in connection with the FSA 50/50 program guidelines, however because the IFA has previously approved bond terms, the Bank has requested IFA’s concurrence on the revised terms and amortization as described herein.

As a conduit bond issue, the Bank assumes all credit risk on the IFA Bonds. Accordingly, staff concurs and recommends approval of the Bank’s request to amend the repayment schedule.

Information enclosed in the page border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act

RESOLUTION NO. 2017-0713-AD06

AMENDATORY RESOLUTION AUTHORIZING THE ISSUANCE
OF AN AGRICULTURAL DEVELOPMENT REVENUE BOND IN
THE AMOUNT SPECIFIED HEREIN BY THE ILLINOIS FINANCE
AUTHORITY TO FINANCE THE ACQUISITION OF PROPERTY
BY THE BORROWER.

WHEREAS, the Illinois Finance Authority (the “Authority”) is authorized, pursuant to the Illinois Finance Authority Act in general and Article 830 thereof specifically, 20 ILCS 3501/801-1 *et seq.* (the “Act”), to issue agricultural development revenue bonds to finance, among other things, (i) Agricultural Facilities, (ii) Agribusinesses and (iii) soil or water conservation projects or watershed areas (all as defined or provided for in the Act); and

WHEREAS, Patrick S. Gibson (the “Borrower”), has submitted an application under the Authority’s Beginning Farmer Bond Program to finance the purchase of approximately 32.7 acres of farmland with an additional 5 acre nursey, located in Godfrey Township, Madison County, Illinois (the “Project”); and

WHEREAS, pursuant to the Act, the Authority is willing to (i) issue an Agricultural Development Revenue Bond (Gibson 2017-06-0001) in an aggregate principal amount not to exceed \$129,500.00 (the “Bond”) to finance the Project, (ii) having a maturity date not later than 30 years from the date of the closing date (as defined herein); and (iii) to enter into agreements with the Borrower and First Mid Illinois Bank & Trust (the “Lender”) upon terms which will produce revenues sufficient to promptly pay the principal of, premium, if any, and accrued interest on the Bond, all as set forth in the agreements hereinafter identified; and

WHEREAS, it is necessary to authorize the execution of a Loan Agreement (the “Loan Agreement”) by and between the Authority and the Borrower in substantially the form used by the Authority in previous transactions of this type, with such terms and provisions approved by the parties executing the Loan Agreement; the Loan Agreement shall be dated as of date on which the Loan Agreement is executed and delivered by the parties thereto (the “Closing Date”); pursuant to which Loan Agreement the Authority agrees to lend the Bond proceeds to the Borrower, and the Borrower agrees to pay the Authority or its assignee amounts sufficient to pay, when due, the principal of, premium, if any, and accrued interest on the Bond and to evidence such obligation by executing the Borrower’s Promissory Note to the Authority (the “Note”) in the principal amount of \$129,500.00 (the “Principal Amount”); and

WHEREAS, it is necessary to authorize the execution of a Lender Loan Agreement (the “Lender Loan Agreement”) by and between the Authority and the Lender in substantially the form used by the Authority in previous transactions of this type, with such terms and provisions approved by the parties executing the Lender Loan Agreement; the Lender Loan Agreement shall be dated as of the Closing Date; pursuant to which Lender Loan Agreement (i) the Authority agrees to sell the Bond to the Lender and assign certain of its rights and interests under the Loan Agreement and the Note to the Lender and (ii) the Lender agrees to purchase the Bond from the Authority; and

WHEREAS, the Authority adopted a resolution on June 8, 2017 (the “Original Bond Resolution”) providing for the issuance of the Bond, authorizing the execution and delivery of the Loan Agreement and the Lender Loan Agreement and assign certain of the Authority’s rights and interests under the Loan Agreement and the Note to the Lender; and

WHEREAS, after the adoption of the Original Bond Resolution, the Lender notified the Authority that modification of certain of the Note repayment terms under which the Lender was originally willing to purchase the Bond is required in order for the Lender to purchase the Bond; such terms have been presented to the Board at this meeting; the Authority is willing to modify the terms as they appear in the Loan Agreement, Lender Loan Agreement, Note, Bond and other documents approved under this Resolution; and references to such documents in this Resolution refer to such documents as so modified;

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

SECTION 1. That the form, terms and provisions of the proposed Loan Agreement and Lender Loan Agreement be, and they are, in all respects, hereby approved; that the Chairman and the Executive Director, (or any other person designated in writing by the Chairman or Executive Director (each an "Authorized Officer")); are each hereby authorized, empowered and directed to execute the Loan Agreement and the Lender Loan Agreement on behalf of the Authority, together with such changes as approved by the signatory in writing, and to cause these agreements to be delivered to the Borrower and the Lender, respectively; that the Secretary or any Assistant Secretary of the Authority is hereby authorized, empowered and directed to attest to the Loan Agreement and the Lender Loan Agreement on behalf of the Authority; and that from and after the execution and delivery of the Loan Agreement and the Lender Loan Agreement, the officials, agents and employees of the Authority are hereby authorized, empowered and directed to take all acts and to execute all documents necessary to carry out and comply with the provisions of the Loan Agreement and the Lender Loan Agreement as executed.

SECTION 2. That the assignment to the Lender of all amounts receivable by the Authority under the Loan Agreement and the Note is in all respects approved; provided, however, the Authority retains all unassigned rights, particularly rights to indemnification and costs to be paid by the Borrower under the Loan Agreement.

SECTION 3. That the Chairman or the Executive Director are each hereby authorized, empowered and directed to cause the Bond to be prepared in the Principal Amount; that the Bond will be dated the date of issuance and will be expressed to mature, bear interest, pay a premium and be repaid as provided in the Bond and the Lender Loan Agreement. The Bond will be payable in such medium of payment and at such place, subject to such terms of redemption and containing such other terms and provisions as will be specified in the Loan Agreement and Lender Loan Agreement as executed and delivered.

SECTION 4. That the form, terms and provisions of the Bond be, and the same hereby are, in all respects approved; that the Bond in substantially the form used by the Authority in previous transactions of this type, with such terms and provisions approved by the parties executing the Bond; the Chairman or the Executive Director is hereby authorized, empowered and directed to execute the Bond, either by manual or facsimile signature, on behalf of the Authority and to cause it to be delivered to the Lender as the initial purchaser of the Bond; that the Secretary or any Assistant Secretary of the Authority is hereby authorized, empowered and directed to attest to, either by manual or facsimile signature, the Bond on behalf of the Authority; and that from and after the execution and delivery of the Bond, the officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all acts and to execute all documents necessary to carry out and comply with the provisions of the Bond.

SECTION 5. That the Executive Director is hereby authorized, empowered and directed to issue and sell the Bond to the Lender in the Principal Amount as provided in the Lender Loan Agreement, at a price of 100% of the Principal Amount thereof.

SECTION 6. That all acts of the Executive Director which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond and the financing of the Project be, and the same hereby are, in all respects, approved and confirmed.

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

SECTION 8. That this Resolution shall be in full force and effect upon its adoption by the Members of the Authority.

SECTION 9. In the event of a conflict between the provisions of this Resolution and the provisions of the Original Bond Resolution, the provisions of this Resolution shall be deemed to prevail and be in full force and effect upon the adoption of this Resolution by the Members of the Authority.

Passed, approved and filed in the records of the Illinois Finance Authority on July 13, 2017.

Ayes:

Nays:

Abstain:

Absent:

Vacancy:

Approved:

Title: Executive Director

Assistant Secretary
(SEAL)

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director
Ximena Granda, Controller

Date: July 13, 2017

Re: Resolution Adopting the Fiscal Year 2018 Illinois Finance Authority Budget

Request:

The accompanying Resolution provides for the adoption of the Fiscal Year 2018 Illinois Finance Authority budget, retroactive to July 1, 2017.

IFA RESOLUTION NO. 2017-0713-AD07

**RESOLUTION ADOPTING THE BUDGET OF THE
ILLINOIS FINANCE AUTHORITY FOR FISCAL YEAR 2018**

WHEREAS, pursuant to Section 801-30(e) of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act") and Article VI, Section 3 of Resolution No. 2007-07-21, Resolution Adopting the Amended and Restated By-Laws of the Illinois Finance Authority, the Illinois Finance Authority created and existing as a body corporate and politic under the laws of the State of Illinois, particularly the Act (the "Authority") is authorized to adopt a budget reflecting the revenues and expenses of the Authority for Fiscal Year 2018; and

WHEREAS, the Executive Director, with the assistance of the staff of the Authority, has, based upon review and analysis, prepared a Budget for Fiscal Year 2018, which Budget is attached hereto as Exhibit A (the "Budget") to support the operations of the Authority during Fiscal Year 2018 pursuant to the various purposes set forth in the Act; and

WHEREAS, the Authority has determined that the adoption of the Budget is in the best interest of the Authority;

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

Section 1. Recitals. 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. Adoption of Fiscal Year 2018 Budget. The revenues, receipts and other available funds set forth in the Budget for Fiscal Year 2018, commencing July 1, 2017, and ending June 30, 2018, are hereby appropriated to meet the purposes of the Act. The Executive Director, in conjunction with the other officers of the Authority, is authorized to expend funds during Fiscal Year 2018 in accordance with the Budget. Nothing in this Resolution prohibits the Members of the Authority or the Executive Director from revising or supplementing the Budget during Fiscal Year 2018 if necessary and in accordance with the Act and the By-Laws of the Authority.

Section 3. Implementation. The Authority hereby authorizes, empowers and directs the Executive Director of the Authority, or his designee(s), to take or cause to be taken any and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as he may deem necessary, appropriate or advisable in order to carry out the purpose and intent of this Resolution.

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. Enactment. This Resolution shall take effect immediately.

This Resolution shall be retroactive to July 1, 2017.

Approved this 13th day of July, 2017.

Ayes: 10

Nays: 0

Abstain: 0

Absent: 4

Vacancy: 1

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

EXHIBIT A
FY 2018 BUDGET



ILLINOIS FINANCE AUTHORITY
GENERAL OPERATING FUND
BUDGET 2018

			2018 BUDGET	
	YEAR TO DATE ACTUAL FY 17 *	FY 18 BUDGET	2018 BUDGET VARIANCE (\$)	VARIANCE (%)
Operating Revenues:				
Closing Fees	\$ 4,071,735	\$ 2,885,900	\$ (1,185,835)	-41.1%
Annual Fees	318,834	279,500	(39,334)	-14.1%
Administrative Service Fees	218,500	50,000	(168,500)	-337.0%
Application Fees	36,900	36,000	(900)	-2.5%
Miscellaneous Fees	36,916	5,500	(31,416)	-571.2%
Interest Income-Loans	716,076	627,731	(88,345)	-14.1%
Other Revenue	11,103	2,000	(9,103)	-455.2%
Total Operating Revenue:	\$ 5,410,064	\$ 3,886,631	\$ (1,523,433)	-39.2%
Operating Expenses:				
Employee Related Expense	\$ 1,788,253	\$ 2,269,159	\$ 480,906	21.2%
Professional Services	1,124,156	1,177,000	52,844	4.5%
Occupancy Costs	175,160	174,000	(1,160)	-0.7%
General & Administrative	336,098	337,500	1,402	0.4%
Depreciation and Amortization	17,966	41,000	23,034	56.2%
Total Operating Expense	\$ 3,441,633	\$ 3,998,659	\$ 557,026	13.9%
Operating Income(Loss)	\$ 1,968,431	\$ (112,028)	\$ (2,080,459)	-1857.1%
Nonoperating Revenues (Expenses):				
Miscellaneous Non-Opertg Rev/(Exp)	\$ -	\$ -	\$ -	0.0%
Bad Debt Adjustments (Expense)	4,221	2,000	(2,221)	-111.1%
Interest and Investment Income*	381,776	250,000	(131,776)	-52.7%
Realized Gain (Loss) on Sale of Invests	(23,754)	(25,000)	(1,246)	5.0%
Net Appreciation (Depr) in FV of Invests**	(78,295)	(100,000)	(21,705)	21.7%
Total Nonoperating Rev (Exp)	\$ 283,948	\$ 127,000	\$ (156,948)	-123.6%
Net Income (Loss) Before Transfers	\$ 2,252,379	\$ 14,972	\$ (2,237,407)	-14943.9%
Transfers:				
Transfers in from other funds	\$ 5,727,067	\$ -	5,727,067	0.0%
Transfers out to other funds	\$ (5,126,557)	-	(5,126,557)	0.0%
Total Transfers In (Out)	\$ 600,510	\$ -	\$ 600,510	0.0%
Net Income (Loss)	\$ 2,852,889	\$ 14,972	\$ 2,837,917	18954.8%

* Preliminary and Unaudited subject to change



ILLINOIS FINANCE AUTHORITY
GENERAL OPERATING FUND
BUDGET 2018
OPERATING EXPENSES DETAIL

	YEAR TO DATE		2018 BUDGET	2018 BUDGET
	ACTUAL	FY 17 FY 18 BUDGET	VARIANCE (\$)	VARIANCE (%)
Employee Related Expenses	1,788,253	\$ 2,269,159	480,906	21.2%
Professional Services				
Legal Services	294,683	300,000	5,317	1.8%
Outside Payroll Services	47,874	60,000	12,126	20.2%
Loan Management Services	40,994	42,000	1,006	2.4%
Marketing	14,820	15,000	180	1.2%
Bank Charges	47,087	47,000	(87)	-0.2%
Temporary	231,819	250,000	18,181	7.3%
Conferences	5,581	6,000	419	7.0%
Audit	96,868	100,000	3,132	3.1%
Information Technology Systems	161,591	170,000	8,409	4.9%
Financial Advisor	98,768	100,000	1,232	1.2%
Investment Management Fees	31,718	32,000	282	0.9%
Other Professional Services	52,354	55,000	2,646	4.8%
	1,124,157	1,177,000	52,843	4.5%
Occupancy Costs				
Office Rent Chicago	92,898	92,360	(538)	-0.6%
Office Rent Mt. Vernon	11,162	12,155	993	8.2%
Equipment Rental	16,059	13,485	(2,574)	-19.1%
Telecommunications	40,572	41,000	428	1.0%
Property Insurance	11,511	12,000	489	4.1%
Utilities	2,955	3,000	45	1.5%
	175,157	174,000	(1,157)	-0.7%
General & Administrative				
Directors & Officers Insurance	214,077	215,000	923	0.4%
Board Expenses	12,621	12,000	(621)	-5.2%
Board Meeting Expenses	12,069	12,000	(69)	-0.6%
Agency Memberships	18,019	18,000	(19)	-0.1%
Subscriptions	44,568	45,000	432	1.0%
Printing	7,856	7,900	44	0.6%
Office Supplies	7,560	7,000	(560)	-8.0%
Equipment (Assets - Non Cap)	590	2,000	1,410	70.5%
Postage/Carrier	3,841	4,000	159	4.0%
Publications	756	1,000	244	24.4%
Auto Rental	1,536	1,600	64	4.0%
Other General & Administrative	12,607	12,000	(607)	-5.1%
	336,100	337,500	1,400	0.4%
Depreciation and Amortization	17,966	41,000	23,034	56.2%
Total Operating Expenses	3,441,633	3,998,659	557,025.61	13.9%

IFA RESOLUTION 2017-0713-AD08

**RESOLUTION FOR ELECTION OF A
VICE CHAIR OF THE ILLINOIS FINANCE AUTHORITY**

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

WHEREAS, in accordance with Section 801-30 of the Act, the Authority is provided with “all of the powers as a body corporate necessary and convenient to accomplish the purposes of the Act,” including and without limitation, the power to adopt resolutions and bylaws (20 ILCS 3501/801-30(e)); and

WHEREAS, Article III, Section 2 of the By-Laws of the Authority provides that “[a]t the direction of the Authority, a Vice Chairperson ... shall be elected by the Authority from among its Members for a term expiring on the date of the next annual meeting following such election and if so elected he or she shall preside at meetings of the Authority and perform all duties incumbent upon the Chairperson during the absence or disability of the Chairperson”; and

WHEREAS, the term of the existing Vice Chair, Gila Bronner, expires on the date hereof and the Members of the Authority desire to elect a Vice Chair to ensure, among other reasons, that bonds of the Authority are duly executed; and

WHEREAS, the Members of the Authority find it in its best interest to elect Gila Bronner as the duly appointed Vice Chair of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY 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. Election of Vice Chair. The Members of the Authority elect Gila Bronner to the Office of Vice Chair of the Authority in accordance with the terms of the By-Laws. The Members of the Authority hereby authorize and grant to the Vice Chair all rights, powers, duties and responsibilities of the Office of Vice Chair, including the power to preside at meetings of the Authority and to perform all duties incumbent upon the Chair during the absence or disability of the Chair as provided in Article III, Section 2 of the By-Laws, and which may include, without limitation, in the absence or disability of the Chair, the powers set forth in Article III, Section 1; Article IV, Sections 1, 3, 4, 5 and 6; and Article VI, Sections 5 and 6 of the By-Laws as well as those powers provided in Sections 801-15, 80IAO(w), 825-40, 825-75, and 845-40 of the Act, and any other powers that may be necessary and appropriate to the performance of the Office of Vice Chair that are authorized by the Act, the By-Laws and any pending bond resolutions of the Authority.

Section 3. Implementation. The Authority does hereby authorize, empower and direct the Executive Director of the Authority, or his designee, to take or cause to be taken any and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as she may deem necessary, appropriate or advisable in order to carry out the purpose and intent of this Resolution.

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

Approved and effective this 13th day of July, 2017.

Ayes: 10

Nays: 0

Abstain: 0

Absent: 4

Vacancy: 1

ILLINOIS FINANCE AUTHORITY

By _____

Executive Director

ATTEST:

Assistant Secretary

[SEAL]

IFA RESOLUTION NO. 2017-0713-AD09

**RESOLUTION TO ACCEPT THE FISCAL YEAR 2016 FINANCIAL
AUDIT**

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

WHEREAS, pursuant to the Act, the Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act (30 ILCS 5/1-1 *et seq.*) (the “Illinois State Auditing Act”);

WHEREAS, it is the Auditor General’s responsibility to express an opinion on the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, a component unit of the State of Illinois, as of and for the year ended June 30, 2016 (“Fiscal Year 2016”), and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements;

WHEREAS, RSM US LLP performs as Special Assistant Auditors for the Auditor General;

WHEREAS, RSM US LLP conducted the Authority’s Financial Audit for Fiscal Year 2016 (the “Fiscal Year 2016 Financial Audit”) in accordance with Government Auditing Standards, issued by the Comptroller General of the United States;

WHEREAS, on January 12, 2017, the Auditor General released the Authority’s Fiscal Year 2016 Financial Audit; and

WHEREAS, in the opinion of the Independent Auditors’ Report, the Authority’s Fiscal Year 2016 Financial Audit presents fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for Illinois Finance Authority, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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. Acceptance of Illinois Finance Authority Fiscal Year 2016 Financial Audit. The Authority hereby accepts the Financial Audit for fiscal year ended June 30, 2016.

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 the Resolution.

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

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

Approved and effective this 13th day of July, 2017 by vote as follows:

YEAS:

NAYS:

NOT VOTING:

ABSTAIN:

ABSENT:

VACANIES:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary
[SEAL]

IFA RESOLUTION NO. 2017-0713-AD10

**RESOLUTION AUTHORIZING AND CONFIRMING THE EXECUTION AND DELIVERY OF
AN INTERGOVERNMENTAL AGREEMENT WITH CENTRAL MANAGEMENT SERVICES
REGARDING PROVISION OF INTERNAL AUDITING FUNCTIONS; AND OTHER MATTERS
RELATED THERETO**

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

WHEREAS, Article 7, Section 10(a) of the 1970 Constitution of Illinois and the Intergovernmental Cooperation Act, (5 ILCS 220/1 *et seq.*, as amended), authorize “public agencies” to contract with other “public agencies” to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform and further provides that “any power or powers, privileges, functions, or authority exercised by, or which may be exercised by, a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State” (5 ILCS 220/3); and

WHEREAS, the Fiscal Control and Internal Auditing Act (30 ILCS 5/1 *et seq.*) requires designated agencies, including the Authority, to maintain a full-time Internal Auditing Program; and

WHEREAS, the Illinois Department of Central Management Services (“CMS”) has an Internal Auditing Program that provides essential functions to ensure that the agency is being managed efficiently, and the program establishes and maintains an effective system of internal controls; and

WHEREAS, pursuant to an Intergovernmental Agreement (“IGA”) between the Authority and CMS, CMS will provide Internal Audit functions to the Authority regarding risk assessment and its two-year audit plan and carry out the program requirements on behalf of the Authority and perform audits as required by the Fiscal Control and Internal Auditing Act; and

WHEREAS, pursuant to Resolution No. 2014-0513-AD11 adopted on May 13, 2014, the Authority previously approved the terms of a contract with CliftonLarsonAllen LLP (the”Internal Auditing Contract”) for internal auditing for a five year term beginning July 1, 2014 and designated the firm as the Chief Internal Auditor of the Authority in accordance with the Fiscal Control and Internal Auditing Act; and

WHEREAS, pursuant to the Internal Auditing Contract, the Authority may, for its convenience and with 30 days prior written notice to the other party, terminate the contract in whole or in part and without payment of any penalty or incurring any further obligation to the other party; 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 and Confirmation of Intergovernmental Agreement. The Executive Director of the Authority or his designee is authorized to take all actions, reasonable and necessary, to enter into an Intergovernmental Agreement with CMS with terms as deemed appropriate by the Executive Director, or his designee, including any term therein or amendment thereto to provide for payment for services rendered, all as may be necessary to provide for internal auditing functions; and all actions heretofore taken in that regard are hereby ratified, approved and confirmed.

Section 3. Designation of CMS as the Authority's Internal Auditor. The Members further designate CMS as its Chief Internal Auditor for the time services are performed by CMS under the IGA, in accordance with the Fiscal Control and Internal Auditing Act (30 ILCS 10/2002).

Section 4. Termination of Internal Auditing Contract. The Executive Director or his designee is hereby authorized to take all actions necessary or desirable to terminate the existing Internal Auditing Contract.

Section 5. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the matters set forth in Sections 2, 3 and 4 of this Resolution above.

Section 6. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 7. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

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

Section 9. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 13th day of July, 2017 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]