

# **ILLINOIS FINANCE AUTHORITY**

**March 10, 2016**

## **AGENDA**

### **BOARD MEETING**

**9:30 a.m.**

**Michael A. Bilandic Building  
160 North LaSalle Street  
Suite S-1000  
Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Chairman's Remarks
- IV. Message from the Executive Director
- V. Consideration of the Minutes
- VI. Presentation and Consideration of Financial Reports
- VII. Monthly Procurement Report
- VIII. Committee Reports
- IX. Presentation and Consideration of Item Nos. 1-6 of the Project Reports and Resolutions
- X. Closed Session Pursuant to, but not limited to, 5 ILCS 120/2(c)(1) of the Illinois Open Meetings Act
- XI. Public Recital of the Nature of the Matter Considered and Other Information that will Inform the Public of the Business Conducted in Closed Session Pursuant to 5 ILCS 120/2(e) of the Illinois Open Meetings Act
- XII. Presentation and Consideration of Item No. 7 of the Project Reports and Resolutions
- XIII. Other Business
- XIV. Public Comment
- XV. Adjournment

## PROJECT REPORTS AND RESOLUTIONS

### AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>Beginning Farmer Bonds</b> <i>Final (One-Time Consideration)</i>						
1	A) Timothy W. Ringger	Osceola Township (Stark County)	\$301,000	-	-	PE/LK
	B) Kyler Loepker	Lake Township (Clinton County)	\$502,000	-	-	PE/LK
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$803,000</b>	-	-	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>501(c)(3) Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
2	DePaul University	Chicago (Cook County)	\$85,000,000	-	300	RF/BF
<b>TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS</b>			<b>\$85,000,000</b>	-	300	

### HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>501(c)(3) Revenue Bonds</b> <i>Final</i>						
3	Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)	Evanston (Cook County) and Lake Forest (Lake County)	\$135,000,000	-	50	PL/TH
<b>501(c)(3) Revenue Bonds</b> <i>Preliminary</i>						
4	Iowa Health System d/b/a UnityPoint Health	Peoria (Peoria County)	\$53,000,000	-	365	PL/TH
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$188,000,000</b>	-	<b>415</b>	

### LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
<b>Local Government Revenue Bonds</b> <i>Final</i>						
5	Community Unit School District No. 3, Saline County (Harrisburg)	Harrisburg (Saline County)	\$15,000,000	-	31	RF/BF
<b>TOTAL LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS</b>			<b>\$15,000,000</b>	-	<b>31</b>	
<b>GRAND TOTAL</b>			<b>\$288,803,000</b>	-	<b>746</b>	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
6	Resolution to Accept the Fiscal Year 2015 Financial Audit and Comprehensive Annual Financial Report and the Fiscal Years 2014 and 2015 Compliance Examination	MG/CM
7	Resolution Regarding the Evaluation, Compensation and Goals of the Executive Director	EW

Date: March 10, 2016

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

Lerry Knox  
Lyle McCoy  
Terrence M. O'Brien  
Roger Poole  
Mordecai Tessler  
John Yonover  
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: Message from the Executive Director

Dear Members of the Authority:

This month we highlight two important pillars of the Authority's mission: non-profit healthcare and non-profit higher education.

***UnityPoint Health: Peoria's Methodist and Proctor Hospitals***

The Authority welcomes its second UnityPoint Health ("UnityPoint") transaction this fiscal year. In December 2015, the Authority considered and approved the refunding of Peoria Methodist Medical Center's 2011 bonds in the amount of approximately \$51.2 million. Iowa Health System (d/b/a UnityPoint Health), an Iowa-based nonprofit health system, closed this transaction on February 8, 2016. This month, the Authority considers the approval of a preliminary resolution to allow UnityPoint to refund Peoria Proctor Hospital's 2006 bonds and fund new money capital improvements at Proctor and Methodist hospitals, both in Peoria. The March 2016 preliminary resolution authorizes up to \$53 million in conduit bonds. The Authority welcomes the opportunity to help finance healthcare improvements in the greater Peoria region.

***DePaul University***

As always, the Authority is pleased to assist DePaul University ("DePaul"), the nation's largest Catholic university by enrollment. DePaul is a longstanding borrower of the Authority and its predecessor conduit issuers. With the bond proceeds of the project on the March 2016 agenda, DePaul plans to build a new Music School building and make other improvements at its Lincoln Park campus, including prospective renovations of its John T. Richardson Library. Additionally, DePaul plans to undertake a series of capital upgrades at its Chicago Loop campus.

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: March 10, 2016

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

Lerry Knox  
Lyle McCoy  
Terrence M. O'Brien  
Roger Poole  
Mordecai Tessler  
John Yonover  
Bradley A. Zeller

From: Brad R. Fletcher, Assistant Vice President

Subject: Minutes of the February 11, 2016 Regular Meeting of the Board

Dear Member of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the “**Minutes**”) in connection with the regular meeting of the Board of Directors of the Illinois Finance Authority (the “**Board**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of February in the year 2016, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

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

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
Thursday, February 11, 2016  
9:30 AM

AGENDA:

- I. Call to Order & Roll Call  
(page 3, line 1 through page 4, line 16)
- II. Approval of Agenda  
(page 4, line 17 through page 5, line 5)
- III. Chairman’s Remarks  
(page 5, line 6 through line 9)
- IV. Message from the Executive Director  
(page 5, line 10 through line 23)
- V. Consideration of the Minutes  
(page 5, line 24 through page 6, line 13)
- VI. Presentation and Consideration of Financial Reports  
(page 6, line 14 through page 8, line 15)
- VII. Monthly Procurement Report  
(page 8, line 16 through page 10, line 20)

- VIII. Committee Reports  
*(page 10, line 21 through page 11, line 11)*
- IX. Presentation and Consideration of Project Reports and Resolutions  
*(page 11, line 12 through page 31, line 4)*
- X. Other Business  
*(page 31, line 5 through line 20)*
- XI. Public Comment  
*(page 31, line 21 through line 23)*
- XII. Adjournment  
*(page 31, line 24 through page 32, line 12)*

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

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

Respectfully submitted,

/s/ Brad R. Fletcher  
Assistant Vice President

- Enclosures:
- 1. Minutes of the February 11, 2016 Regular Meeting of the Board
  - 2. Voting Record of the February 11, 2016 Regular Meeting of the Board

1 ILLINOIS FINANCE AUTHORITY BOARD  
2 BOARD OF DIRECTORS REGULAR MEETING  
3 February 11th, 2016 at 9:30 o'clock a.m.  
4  
5  
6  
7 Report of Proceedings had at the Meeting of the  
8 Illinois Finance Authority Board of Directors Regular  
9 Meeting on February 11th, 2016, at the hour of 9:30 a.m.,  
10 pursuant to notice, at 160 North LaSalle Street, Suite  
11 S1000, Chicago, Illinois.

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1 APPEARANCE:  
2 ILLINOIS FINANCE AUTHORITY BOARD OF DIRECTORS

3 MR. R. ROBERT FUNDERBURG, Chair man  
MR. ERIC ANDERBERG  
4 MR. JAMES J. FUENTES  
MR. ROBERT HORNE  
5 MR. ADAM ISRAELOV  
MS. ARLENE JURACEK  
6 MR. LERRY KNOX  
MS. GILA J. BRONNER  
7 MR. MICHAEL W. GOETZ  
MR. ROGER POOLE  
8 MR. BRADLEY A ZELLER  
MR. LYLE McCOY  
9

10 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS  
11

MR. BRAD FLETCHER, Assistant Vice-President  
12 MR. RICH FRAMPTON, Vice-President  
MS. MELINDA GILDART, CFO  
13 MS. PAMELA LENANE, Vice-President  
MS. ELIZABETH WEBER, General Counsel  
14 MS. SIX GRANDA, Controller  
MS. TAMMY HARTER, Assistant/Healthcare  
15 MR. CHRISTOPHER B. MEISTER, Executive Director  
MR. PATRICK EVANS, Agricultural Banker (Via audio  
16 conference)  
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1 CHAIRMAN FUNDERBURG: I would like to go ahead  
2 and call to order our Board Meeting. If I could  
3 have everyone's attention.

4 Welcome, everyone, we got a full agenda.  
5 So I would like to go ahead and move along. First,  
6 Mr. Fletcher, roll call, please.

7 FLETCHER: Certainly. Mr. Anderberg?  
Page 2



8 ANDERBERG: Here.  
9 FLETCHER: Ms. Bronner?  
10 BRONNER: Here.  
11 FLETCHER: Mr. Fuentes?  
12 FUENTES: Here.  
13 FLETCHER: Mr. Goetz?  
14 GOETZ: Here.  
15 FLETCHER: Mr. Horne?  
16 HORNE: Here.  
17 FLETCHER: Mr. Israelov?  
18 ISRAELOV: Here.  
19 FLETCHER: Ms. Juracek?  
20 JURACEK: Here.  
21 FLETCHER: Mr. Knox?  
22 KNOX: Here.  
23 FLETCHER: Mr. McCoy?  
24 MCCOY: Here.  
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1 FLETCHER: Mr. Pool e?  
2 POOLE: Here.  
3 FLETCHER: Mr. Zeller?  
4 ZELLER: Here. And Mr. Chairman?  
5 CHAIRMAN FUNDERBURG: Here.  
6 FLETCHER: Mr. Chairman, at this time we have a  
7 quorum.  
8 CHAIRMAN FUNDERBURG: Okay, thank you. Is  
9 anybody attending by teleconference?  
10 KNOX: I heard someone on there earlier.  
11 FLETCHER: Any Board Members on the line?

12 CHAIRMAN FUNDERBURG: Any Board Members on the  
13 line? No. Okay. We'll go ahead. I would like to  
14 ask for a motion to approve -- I guess we don't need  
15 to do that, since there is no one on the line. We  
16 have a quorum.

17 I would like to ask, then, is there  
18 anybody that would like to correct any errors or  
19 make any changes to today's agenda?

20 (No response.)

21 CHAIRMAN FUNDERBURG: Okay. If not, then is  
22 there a motion to approve?

23 BRONNER: So moved.

24 CHAIRMAN FUNDERBURG: Is there a second?

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1 JURACEK: Second.

2 CHAIRMAN FUNDERBURG: All in favor?

3 (A chorus of ayes.)

4 CHAIRMAN FUNDERBURG: Any opposed?

5 (No response.)

6 CHAIRMAN FUNDERBURG: Okay, that carries. As  
7 far as my remarks, I'll keep them brief. The team  
8 has been working hard doing a good job. That's it.  
9 Chris?

10 MEISTER: Thank you, Mr. Chairman. Again, just  
11 very briefly, the audit was released at the end of  
12 January for fiscal year '15 audit. It's noted in  
13 the message from the Executive Director.

14 It is on the Auditor General's website.  
15 Audit Chair Bronner will be calling a meeting in the  
16 near future to discuss that, as well as our combined

17 Annual Financial Report, which is posted on our  
18 website and posted on the MSRBs website.

19 We'll also be going over that and the  
20 compliance audit, when it's ready. And I would like  
21 to congratulate Mr. McCoy on being elected  
22 Vice-Chair of the Conduit Committee earlier today.  
23 Thank you.

24 CHAIRMAN FUNDERBURG: Okay, thank you. Any  
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1 additions or corrections to the minutes of the prior  
2 meeting?

3 (No response.)

4 CHAIRMAN FUNDERBURG: None. Is there a motion  
5 to approve them?

6 MCCOY: Motion to approve.

7 CHAIRMAN FUNDERBURG: Okay. Is there a second?

8 KNOX: Second.

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

11 (A chorus of ayes.)

12 CHAIRMAN FUNDERBURG: Any opposed?

13 (No response.)

14 CHAIRMAN FUNDERBURG: Okay. Thank you. Ayes  
15 have it. Next is Ms. Gildhart.

16 GILDART: Good morning. I'm Melinda Gildhart,  
17 Chief Financial Officer of the Authority. I'll be  
18 presenting this month's Financial Report for FY16  
19 unaudited results.

20 The Authority has generated a total

21 \$3.1 million in total annual revenues, which is  
22 about 12 percent higher than budget. Our closing  
23 fees, which is the primary revenue source, is \$2.2  
24 million for the year, and that's 14 percent higher

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1 than budget.

2 In January, we generated \$228,000 in  
3 closing fees, and that's our highest monthly total  
4 since October, but it's still below our monthly  
5 budgeted of \$276,000.

6 We had closing fees from Uni tyPoi nt Heal th  
7 of \$106,000; Loyol a Academy for \$34,000; CenterPoi nt  
8 Joliet for \$80,000; and ag-related closings of  
9 \$7200.

10 Our total annual expense is \$2.4 million,  
11 which is 17 percent below budget. So for the month,  
12 we have monthly net income of \$44,000. For the  
13 year, we have annual net income of \$734,000.

14 The Authority authorized the transfer from  
15 the IEPA, that's the Illinois Environmental  
16 Protection Agency, the funds that we held for them.  
17 They requested a transfer of \$50.4 million back to  
18 the custody of the State Treasurer. That was  
19 processed in January.

20 The Authority issued 28 new fire truck  
21 revolving loan funds totaling \$7.3 million, and we  
22 seek to issue 13 new ambulance loans for  
23 \$1.7 million.

24 So as Chris mentioned, the audit has

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3 contract with Whittaker and Associates for IRS tax  
4 preparation and filing services.

5 Other contract renewals in calendar year  
6 2016 include both the financial advisory contracts,  
7 and also investment management contracts. Any  
8 questions?

9 HORNE: I have one question. I was looking at  
10 -- there was under the insurance procuring, just it  
11 said prior contract amount at 50, and then I think  
12 the expense of 233. What was the Delta there?

13 GILDART: That is an outlier.

14 MEISTER: Do you want me to take that?

15 GILDART: Sure.

16 MEISTER: So we have an open issue that we're  
17 working with General Counsel and the procurement  
18 regulators of the Office of the Chief Procurement  
19 Officer.

20 There is a certain threshold that speeds  
21 the procurement while preserving transparency and  
22 accountable and fairness and objectivity called the  
23 small purchase.

24 There is an open question that we are in  
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1 discussions with the Chief Procurement Officer as to  
2 whether the premium for an insurance broker counts  
3 against the \$50,000 cap, whether it's strictly the  
4 premium or the premium and the brokerage fee. That  
5 is still an open issue; and when we get that  
6 resolved, we will come back.

7 HORNE: Okay. I'm trying to understand in the  
Page 8

8 context of a new contract.  
9 MEISTER: Yes.  
10 HORNE: And what to expect.  
11 MEISTER: Yes. And we're also trying to  
12 understand that, but it appears to be a little bit  
13 of an ambiguous area.  
14 HORNE: Okay.  
15 MEISTER: In the procurement area.  
16 GILDART: The previous contract was through ADP  
17 Total Source, which was for \$233,000.  
18 HORNE: I see. That helps. Okay.  
19 CHAIRMAN FUNDERBURG: Okay. Any other  
20 questions? If not, thank you very much.  
21 One of the five committees met within the  
22 past month, the Tax-Exempt Conduit Transactions.  
23 Committee Member Horne, please report.  
24 HORNE: So we have met, and we reviewed a  
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1 number of proposals that I think are going to be  
2 presented today. Is that correct?  
3 MEISTER: Yes.  
4 HORNE: We voted on all of those. We voted  
5 unanimously in favor of all of them. So I think  
6 we're going to hear --  
7 CHAIRMAN FUNDERBURG: Okay.  
8 HORNE: -- all the proposals that came before  
9 our committee received full approval.  
10 CHAIRMAN FUNDERBURG: Great, thank you. That  
11 being said, I would like to move on.

12 First, I would like to ask is there  
13 general consent of the members to consider all the  
14 projects and resolutions collectively, unless there  
15 is something that someone would like to pull from  
16 the agenda to be considered separately?

17 ISRAELOV: Yes. Mr. Chairman, I would like to  
18 remove myself from deliberation and consideration  
19 for Items No. 3 and 8.

20 CHAIRMAN FUNDERBURG: Thank you very much. Go  
21 ahead.

22 MEISTER: For the record, what is the reason  
23 for your recusal?

24 ISRAELOV: Yes. For Item No. 3, some of the  
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1 bondholders are clients of my employer; and for Item  
2 No. 8, the nature of my work being in law, the  
3 various agreements being recommended for approval  
4 are with law firms, so I would like to recuse  
5 myself.

6 CHAIRMAN FUNDERBURG: Okay. Thank you. Let's  
7 go ahead.

8 FLETCHER: Therefore, we'll present the other  
9 projects and resolutions to be considered  
10 collectively, other than No. 3 and No. 8.

11 Tab number 1 is proposed Final Bond  
12 Resolution for the University of St. Francis, a  
13 not-to-exceed amount of \$15,000,000.

14 This transaction is returning for your  
15 file consideration, after receiving preliminary  
16 approval last month, as you recall. Again, USF is a



17 private Catholic university located in Joliet. It  
18 was founded in 1920.

19 It currently enrolls approximately 3,500  
20 students. The proposed transaction would finance  
21 design and construction of a new science building on  
22 campus on what is now currently a surface parking  
23 lot.

24 Now that the bond documents have been  
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1 substantially finalized, we can report that Wintrust  
2 Bank will be purchasing \$6,000,000, and PNC Bank  
3 will be purchasing \$9,000,000 of debt, with the gap  
4 of project funds financed through capital campaign  
5 receipts.

6 We recommend approval. We can take any  
7 questions at this time.

8 CHAIRMAN FUNDERBURG: Okay.

9 LENANE: Mr. Chairman, thank you. The next  
10 project is on tab 2, Christian Homes. Christian  
11 Homes is seeking a final approval for \$39,000,000 in  
12 financing to refund a series of bonds, IFA bond and  
13 also a callable loan, and bonds for \$3,000,000, of  
14 which was spent on Indiana facilities. So that  
15 makes it an out-of-state transaction.

16 The only change in this, since the  
17 preliminary resolution, is that Christian Homes  
18 received a rating of BBB minus with a stable outlook  
19 since our last meeting, and Christian Homes is a  
20 senior living facility.

21 They have approximately 12 communities  
22 with 1474 skilled beds, assisted living and  
23 independent living located in Illinois, Indiana and  
24 Iowa and Missouri. Next?

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1 CHAIRMAN FUNDERBURG: Any questions?

2 LENANE: Any questions? Tab 3 is --

3 MEISTER: Tab 4.

4 LENANE: I go to 4, okay. Tab 4 is  
5 Presbyterian Homes Obligated Group are seeking a  
6 resolution for \$135,000,000. They are going to  
7 refund their Series 1996A, 2001, 2006 and 2007  
8 variable rate demand bonds.

9 This is a preliminary resolution. They  
10 also have some new money. If we go down to sources  
11 and uses, they have some new money shown and that  
12 may or may not be used when we go to the final.

13 Presbyterian Homes has two locations in  
14 Evanston and Lake Forest. They have another  
15 location, but that's not in this financing.

16 They expect that the bonds will be issued  
17 in two series, a fixed-rate series and a  
18 floating-rate note series, both sold through public  
19 offering, and they have applied to both Standard &  
20 Poor's and Fitch for a rating.

21 Hopefully, they will have those ratings  
22 before we come for the final. I won't go through  
23 all the background. You can read it in the report.  
24 I think if we just go to the final financials, we

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1 see that they have very strong financials on page 6.

2 Debt service coverage in 2014 of 4.62, and

3 debt service coverage audited in 2015 of 7. -- 7.02.

4 They also have many dollars cash on hand.

5 In the end of '14, they had \$1,013; and at the end

6 of 2014 -- '15, they had \$1,061. Any questions?

7 MEISTER: Could you clarify the amount? I

8 don't think they had \$1,000.

9 LENANE: Yes.

10 MEISTER: Days cash on hand.

11 LENANE: Days cash on hand. What did I say?

12 CHAIRMAN FUNDERBURG: Any other questions,

13 clarifications? Okay, thank you.

14 LENANE: Okay. Our next project is on tab 5,

15 MercyRockford Health System. They are seeking a

16 Bond Resolution. This is a Preliminary Resolution.

17 They will be coming back for a final, not

18 next month, but in April for \$550,000,000. They are

19 going to fund a new campus, a new hospital. They

20 call it the Riverside Campus.

21 It's located on the east side of Rockford

22 that will include 188 inpatient beds, extensive

23 outpatient services, an ambulatory service building,

24 renovations of -- also, they are going to do some

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1 renovations on Rockford Memorial Hospital, their

2 merger partner, and they're going to refinance some

3 of Mercy Alliance's debt, some refundings there.

4           MercyRockford a combination of Mercy  
5 Alliance out of Janesville, Wisconsin, and Rockford  
6 Memorial Hospital located in Rockford. They intend  
7 to keep both hospitals, the old hospital open, even  
8 after the new hospital is filled.

9           The job data is 1,500 construction jobs  
10 and 331 new jobs. The construction jobs were based  
11 on discussions with contractors and union officials.  
12 We may get a little closer estimate for the final.  
13 I'll be working on that.

14           Bonds are going to be sold in a fixed --  
15 publicly-offered, fixed-rate debt, and they include  
16 some put debt also. They expect an underlying  
17 rating of Moody's A3. And also, if we go to the  
18 sources and uses, they are also going to use the  
19 proceeds to pay the cost of issuance.

20           Also, they are going to pay off a swap of  
21 a million eight, and a placement termination fee of  
22 \$1,090,000. You can read all about Mercy and  
23 Rockford. This will be more fully flushed out, and  
24 hopefully we will have some new renderings at the

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1 new hospital at the April Board Meeting.

2           If we go to the financials, they haven't  
3 consolidated their financials yet, so we actually  
4 ran the financials side by side, and then we  
5 consolidated them for the six-month in 2014 and --  
6 2014, and the debt service coverage would be  
7 combined 3.9, and the days cash on hand would be

8 216. Any questions?  
9 HORNE: I assume they got their CON for the  
10 new?  
11 LENANE: Yes.  
12 HORNE: So before something like this would  
13 ever come to us, that's all been flushed out,  
14 obviously?  
15 MS. LENANE: Usually.  
16 HORNE: Usually.  
17 LENANE: But sometimes they don't have it, and  
18 they want a preliminary. They use it as a  
19 reimbursement resolution to go back and pick up  
20 money that they've spent previously.  
21 HORNE: I see.  
22 LENANE: But the final, they have to have their  
23 CON before we do a final resolution. A Certificate  
24 of Need is -- in Illinois, we have a system that  
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1 goes way back for when you -- for when you got a  
2 payment system, which is entirely different for  
3 Medicare and insurance.  
4 They actually look at the state. They  
5 look at an area, and they see it's an area that is  
6 over-bedded. If the area is over-bedded, in their  
7 terms over-bedded, then they won't grant the  
8 Certificate of Need.  
9 So you have to have -- you have to show  
10 that there is a need. I won't mention -- there are  
11 some hospitals that can't get them to build new

12 facilities because the area is over bedded. Even if  
13 people aren't using those, and want another  
14 hospital, they can't get it. So it's very  
15 complicated.

16 CHAIRMAN FUNDERBURG: Okay. Any other  
17 questions? Okay, thank you.

18 LENANE: Thank you.

19 FRAMPTON: Okay. Next we'll move to tab 6,  
20 which is a Resolution for University of St. Francis.  
21 Mr. Fletcher described a new transaction, Series  
22 2016 bonds as tab 1 in this morning's agenda.

23 This Item 6 is really a companion item to  
24 Item 1. It will amend and modify certain of the  
MARZULLO REPORTING AGENCY (312) 321-9365

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1 business terms between USF, University of  
2 St. Francis, and Wintrust Bank, which is the lender  
3 and bond purchaser on the Series 2013 bonds.

4 Certain of the amendments will adjust the  
5 interest-rate spread on the 2013 bonds that will  
6 align covenants between -- financing covenants  
7 between the 2013 and 2016 bonds.

8 Additionally, there will be added security  
9 in the form of a mortgage on a specified property,  
10 as well as security interest and other assets and  
11 certain of the pledged -- and certain of the gross  
12 revenues of the university. Any questions?

13 CHAIRMAN FUNDERBURG: No questions. Thank you.

14 FRAMPTON: Thank you.

15 MEISTER: Elizabeth?

16 WEBER: I'm Elizabeth Weber, General Counsel to  
Page 16

17 the Authority, and I'm presenting Item 7 and 9.  
18 Item 7 is a resolution affirming the Authority's  
19 continued authorization to acquire State vendor  
20 receivables, pursuant to assignment agreements.

21 In November, the Authority passed a  
22 resolution which, among other things, authorized  
23 this program to purchase vendor receivables using  
24 Authority funds in an amount of up to \$12,000,000.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 The receivables are for essential  
2 government goods and services, such as food for  
3 veterans' home and prisons, and maintenance of  
4 government buildings.

5 To date, the Authority has used  
6 approximately two-and-a-half million of Authority  
7 funds to purchase receivables, all of which are  
8 entitled to interest under the Prompt Payment Act,  
9 and this resolution is a clarifying resolution  
10 affirming the program and clarifying additional  
11 statutory provisions supporting the program.

12 Any questions on Item 7? Item 9 is a  
13 resolution approving additional contracts for ADP,  
14 which provides employee benefits and payroll  
15 services, and Accounting Principals, which provides  
16 temporary staffing for finance and compliance  
17 functions.

18 Please note that there were two changes in  
19 this resolution relating to Accounting Principals,  
20 due to some last-minute changes in the contract.

21 The dollar amount of the contract increased slightly  
22 to \$71,103.36, and the final date was changed to  
23 April 22nd, and the revised resolution is in your  
24 folders. Those were the only changes.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 Any questions on Item 9?

2 CHAIRMAN FUNDERBURG: No questions. Thank you.  
3 That being said, I would like to ask is there a  
4 motion to pass and adopt the following Project  
5 Reports and Resolutions Items 1, 2, 4, 5, 6, 7, and  
6 9.

7 FUENTES: So moved.

8 ANDERBERG: Second.

9 CHAIRMAN FUNDERBURG: Moved by Mr. Fuentes.  
10 Seconded by Mr. Anderberg.

11 FLETCHER: On the motion, because these are  
12 bond documents, I'll call a roll call.

13 CHAIRMAN FUNDERBURG: Okay, thank you.

14 FLETCHER: So on the motion and second, I'll  
15 call the role. Member Anderberg?

16 ANDERBERG: Yes.

17 FLETCHER: Ms. Bronner?

18 BRONNER: Yes.

19 FLETCHER: Mr. Fuentes?

20 FUENTES: Yes.

21 FLETCHER: Mr. Goetz?

22 GOETZ: Yes.

23 FLETCHER: Mr. Horne?

24 HORNE: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 FLETCHER: Mr. Israel ov?  
 2 ISRAELOV: Yes.  
 3 FLETCHER: Ms. Juracek?  
 4 JURACEK: Yes.  
 5 FLETCHER: Mr. Knox?  
 6 KNOX: Yes.  
 7 FLETCHER: Mr. McCoy?  
 8 MCCOY: Yes.  
 9 FLETCHER: Mr. Pool e?  
 10 POOLE: Yes.  
 11 FLETCHER: Mr. Zeller?  
 12 ZELLER: Yes.  
 13 FLETCHER: Mr. Chair man?  
 14 CHAIRMAN FUNDERBURG: Yes.  
 15 FLETCHER: Mr. Chair man, the motion carries.  
 16 CHAIRMAN FUNDERBURG: Thank you. Okay, next  
 17 we'll go ahead and move on to Agenda Item No. 3.  
 18 Ms. Lenane?  
 19 FLETCHER: Let the record reflect Member  
 20 Israel ov left the room.  
 21 LENANE: The Park Place of Elmhurst is seeking  
 22 a Final Bond Resolution approving a bond exchange  
 23 restructuring their 2016 -- I mean, their 2010 IFA  
 24 bonds in connection with a Chapter 11 bankruptcy.  
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1 Park Place of Elmhurst is a continuing  
 2 care retirement community, consisting of 181

3 independent living units, 46 assisted living, and 20  
4 memory care units and 37 nursing units.

5 They are seeking a one-time approval,  
6 subject to a Bankruptcy Court Order and approval of  
7 the limited offering memorandum that will be given  
8 to bondholders in the exchange.

9 The keys terms have already been agreed to  
10 by 74.2 percent of the existing bondholders, and the  
11 bonds will be issued in three series. 85 percent of  
12 the total amount outstanding will be exchanged for  
13 the 2016 A and B bonds. The balance will be  
14 exchanged for the 2016 C bonds.

15 All 2016 bonds will bear interest at rates  
16 lower than when they were initially issued. Also,  
17 the terms have been extended to give the facility  
18 Park Place breathing room so they can catch up on  
19 some interest payments.

20 The sponsor, Provident Life Services --  
21 and we have a representative of the sponsors here,  
22 Bill DeYoung, who is the Chief Financial Officer of  
23 Provident Life Services; and also Park Place,  
24 Timothy Place, Park Place of Elmhurst.

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1 And we also have with us Barry  
2 VanderGerugten, who is the CFO -- the Director of  
3 Finance of Provident Life Services and also Park  
4 Place of Elmhurst.

5 Provident Life Services, the sponsor, has  
6 already put \$12,000,000, additional dollars, into  
7 the project. They are waiving the repayment of

8 those funds, and they are putting an additional  
9 \$5,000,000 in now so that they can go forward.

10 Park Place anticipated having a  
11 confirmation hearing on the restructuring plan on  
12 March 29th and effectuating the bond exchange in  
13 April.

14 Contained in your folders are many charts  
15 in the financial section on occupancy rates,  
16 cash-flow analysis, and we also have cost of  
17 issuance for the transaction, but I think you can  
18 peruse at your leisure. Any questions?

19 CHAIRMAN FUNDERBURG: Questions? No questions.

20 LENANE: Okay.

21 CHAIRMAN FUNDERBURG: Okay, thank you.

22 WEBER: Item 8 is the a resolution authorizing  
23 the Executive Director to renew existing contracts  
24 with various legal firms. These are 35 firms in our

MARZULLO REPORTING AGENCY (312) 321-9365

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1 legal pool that were selected through competitive  
2 bidding over two years ago.

3 We have two-year contracts with them. The  
4 two-year term is expiring. We have the option to  
5 renew for an additional year. We're asking for your  
6 approval to authorize the Executive Director to  
7 enter into these contracts.

8 These are firms that are selected to issue  
9 counsel and provide other legal services to the  
10 Authority. Any questions?

11 CHAIRMAN FUNDERBURG: You said it is an option?

12 Is this part of the original competitive bid package  
13 two years ago?

14 WEBER: As part of the original contract, we  
15 had the right to exercise a one-year renewal option.  
16 So we're renewing all of them for an additional  
17 year.

18 CHAIRMAN FUNDERBURG: Okay.

19 WEBER: 35 of them for an additional year.

20 MEISTER: And again, just to clarify, what the  
21 Authority has traditionally done, and what we did in  
22 this case, is that we put a solicitation on the  
23 street through the procurement portal under the  
24 Authority's partial exemption from the Procurement

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1 Code.

2 Firms applied. In this case, we took all  
3 of the applicants, we reviewed all of the  
4 applications. So that there were none rejected. So  
5 that's how we reached the pool.

6 So I just wanted to clarify the term  
7 "competitive" is that they applied. They met  
8 minimum standards. They got their regulatory  
9 paperwork in order, and we signed the contracts.

10 WEBER: Correct.

11 BRONNER: Question. When would you anticipate  
12 releasing beginning the process for the next RFP,  
13 given that we have time considerations?

14 MEISTER: We've been having internal  
15 discussions on that, and as part of a broader  
16 procurement strategy, we're looking at procurements

17 that we can eliminate, procurements that we can  
18 consolidate, certain services that we may or may not  
19 be able to obtain through inter-governmental  
20 agreement with the State, and we're working through  
21 that process.

22 BRONNER: Okay, thank you.

23 HORNE: So this list is just firms that we can  
24 do business with, not necessarily that we are doing

MARZULLO REPORTING AGENCY (312) 321-9365

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1 business with?

2 MEISTER: Yes. I think the vast majority of  
3 them have done business with us in the last year, at  
4 least. I would think probably at least 25.

5 HORNE: Okay.

6 JURACEK: How do we apportion work to each of  
7 the law firms?

8 MEISTER: Frankly, what happens is that a  
9 recommendation comes from staff with at least three  
10 firms on issuer's counsel, which are paid out of the  
11 cost of the issuance, but not generally by a check  
12 from the Authority to the firm.

13 So they're paid like the bankers or the  
14 bond counsel, or the other professionals. There is  
15 a set fee that goes from roughly \$5,000 to just over  
16 \$18,000; and because we do not run a closed shop,  
17 the borrowers are free to select their bankers and  
18 their bond counsel and other professionals.

19 So what we do is the two revenue leads,  
20 the two vice-presidents, Vice-President Frampton and

21 Vice-President Lenane, submit at least three firms  
22 and lawyers to the General Counsel, who then  
23 discusses them with me, and sometimes they go back  
24 and have discussions with the vice-presidents.

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1 We look at opportunities for minority and  
2 women-owned firms, but also since we live with these  
3 documents over a longer period of time, and the most  
4 important provision are the indemnity provisions  
5 that in the event of an IRS audit, it allows us to  
6 shift the cost.

7 We have an extensive discussion. We look  
8 for geographic diversity. We look for MBE. We look  
9 for quality of work. And again, oftentimes there  
10 are conflicts because of the bond counsel and  
11 underwriter's counsel that have been selected by the  
12 borrowers. So we need to take that into account.

13 I would just say most recently, we had an  
14 opportunity with MercyRockford, where a Wisconsin  
15 bond firm and bond lawyer had traditionally  
16 represented the borrower, and there was a request  
17 from the borrower to have an collegial financing  
18 team that they were consistent with.

19 The bond counsel -- we had a contract with  
20 that bond counsel. That particular bond counsel was  
21 somebody who clearly had professional  
22 qualifications, and we were able to exercise our  
23 business judgment under this to make the assignment  
24 to this Wisconsin bond counsel, who I think --

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1           WEBER:   Which also has a Chicago office.

2           MEISTER:   Which also has a Chicago office, and

3 we had a contract, but in this case we were able to

4 exercise business judgment, protect the interests of

5 the Authority, and provide a welcoming environment

6 to a new Wisconsin-based borrower to the IFA.

7           CHAIRMAN FUNDERBURG:   Okay.   Any other

8 questions?

9           GOETZ:   I have one.   I know one of these firms

10 is south of I80.   Are there any others?

11          MEISTER:   At least two.

12          WEBER:   At least two.

13          GOETZ:   Two others, or two including --

14          MEISTER:   Witsman and Miller Hall Triggs.   And

15 again, when these contracts were originally entered

16 into, we took some pains to try and prod downstate

17 firms into filling out the procurement paperwork, in

18 order to become part of our pool, because we find it

19 to be very useful.

20          GOETZ:   Okay.

21          CHAIRMAN FUNDERBURG:   Any other questions?

22 Okay, if not, then I would like to go ahead and ask

23 is there a motion to adopt the following Projects

24 Report and Resolution:   Items 3 and 8?

MARZULLO REPORTING AGENCY   (312) 321-9365

1           POOLE:   Motion to approve.

2           McCOY:   Second.

3 FLETCHER: There's motion and second.  
4 CHAIRMAN FUNDERBURG: Roll call.  
5 FLETCHER: I will call the roll. Member  
6 Anderberg?  
7 ANDERBERG: Yes.  
8 FLETCHER: Ms. Bronner?  
9 BRONNER: Yes.  
10 FLETCHER: Mr. Fuentes?  
11 FUENTES: Yes.  
12 FLETCHER: Mr. Goetz?  
13 GOETZ: Yes.  
14 FLETCHER: Mr. Horne?  
15 HORNE: Yes.  
16 FLETCHER: Ms. Juracek?  
17 JURACEK: Yes.  
18 FLETCHER: Mr. Knox?  
19 KNOX: Yes.  
20 FLETCHER: Mr. McCoy?  
21 MCCOY: Yes.  
22 FLETCHER: Mr. Pool e?  
23 POOLE: Yes.  
24 FLETCHER: Mr. Zeller?

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1 ZELLER: Yes.  
2 FLETCHER: Mr. Chairman?  
3 CHAIRMAN FUNDERBURG: Yes.  
4 FLETCHER: Mr. Chairman, motion carries.  
5 CHAIRMAN FUNDERBURG: Thank you. I would like  
6 to just go ahead and ask do we have any other  
7 business that comes before the Members? Anybody



8 have any other business?

9 (No response.)

10 CHAIRMAN FUNDERBURG: Okay. Since there is  
11 none, I would like to ask for a motion to excuse  
12 absences of members who were unable to participate  
13 today. Is there such a motion?

14 ZELLER: So moved.

15 KNOX: Second.

16 CHAIRMAN FUNDERBURG: All in favor, please say  
17 aye.

18 (A chorus of ayes.)

19 CHAIRMAN FUNDERBURG: Any opposed?

20 (No response.)

21 CHAIRMAN FUNDERBURG: At this point, I would  
22 like to ask for any public comments? Okay, there is  
23 no public comment.

24 The next regular meeting is scheduled for  
MARZULLO REPORTING AGENCY (312) 321-9365

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1 March 10th, 2016. I would like to ask for a motion  
2 to adjourn until such time. Is there such a motion?

3 KNOX: So moved.

4 CHAIRMAN FUNDERBURG: Motion by Mr. Knox. Is  
5 there a second?

6 ZELLER: Second.

7 CHAIRMAN FUNDERBURG: Seconded by Mr. Zeller.  
8 All in favor?

9 (A chorus of ayes.)

10 CHAIRMAN FUNDERBURG: The meeting is adjourned.  
11 Thank you all very much.

2-11-16-2.txt  
12 FLETCHER: The time is 10:04 a.m.  
13 (WHICH WERE ALL THE PROCEEDINGS HAD at 10:04 a.m.)  
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15  
16  
17  
18  
19  
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1 STATE OF ILLINOIS )  
2 COUNTY OF COOK ) SS:  
3

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

11  
12 PAMELA A. MARZULLO  
License No. 084-001624  
13  
14  
15  
16

2-11-16-2. txt

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ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
FEBRUARY 11, 2016 AGENDA OF THE REGULAR MEETING OF THE BOARD  
ADOPTED

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Israelov  
Y Juracek  
Y Knox  
Y McCoy  
E O'Brien

Y Poole  
E Tessler  
E Yonover  
Y Zeller  
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
JANUARY 14, 2016 MINUTES OF THE REGULAR MEETING  
OF THE BOARD  
ADOPTED

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Israelov  
Y Juracek  
Y Knox  
Y McCoy  
E O'Brien

Y Poole  
E Tessler  
E Yonover  
Y Zeller  
Y Mr. Chairman

E – Denotes Excused Absence

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

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Israelov  
Y Juracek  
Y Knox  
Y McCoy  
E O'Brien

Y Poole  
E Tessler  
E Yonover  
Y Zeller  
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0211-NP01  
501(c)(3) REVENUE BOND – UNIVERSITY OF ST. FRANCIS  
FINAL  
PASSED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Israelov  
Y Juracek  
Y Knox  
Y McCoy  
E O'Brien

Y Poole  
E Tessler  
E Yonover  
Y Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0211-HC02  
501(c)(3) REVENUE BOND – CHRISTIAN HOMES, INC.  
FINAL  
PASSED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Israelov  
Y Juracek  
Y Knox  
Y McCoy  
E O'Brien

Y Poole  
E Tessler  
E Yonover  
Y Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence



ILLINOIS FINANCE AUTHORITY  
 BOARD OF DIRECTORS  
 BOARD ROLL CALL  
 RESOLUTION 2016-0211-HC03  
 501(c)(3) REVENUE BOND – TIMOTHY PLACE, NFP, D/B/A PARK PLACE ELMHURST,  
 AND CHRISTIAN HEALTHCARE FOUNDATION, NFP (PARK PLACE OF ELMHURST  
 PROJECT)  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED

February 11, 2016

11 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	NV	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	E	Yonover
Y	Goetz	Y	McCoy	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0211-HC04  
501(c)(3) REVENUE BOND – PRESBYTERIAN HOMES OBLIGATED GROUP  
PRELIMINARY  
PASSED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Israelov  
Y Juracek  
Y Knox  
Y McCoy  
E O'Brien

Y Poole  
E Tessler  
E Yonover  
Y Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 BOARD OF DIRECTORS  
 BOARD ROLL CALL  
 RESOLUTION 2016-0211-HC05  
 501(c)(3) REVENUE BOND – MERCYROCKFORD HEALTH SYSTEM CORPORATION  
 PRELIMINARY  
 PASSED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
 Y Bronner  
 Y Fuentes  
 Y Goetz  
 Y Horne

Y Israelov  
 Y Juracek  
 Y Knox  
 Y McCoy  
 E O'Brien

Y Poole  
 E Tessler  
 E Yonover  
 Y Zeller  
 Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0211-AD06  
RESOLUTION AUTHORIZING OR APPROVING THE EXECUTION AND DELIVERY OF  
FIRST SUPPLEMENTAL BOND AND LOAN AGREEMENT AND FIRST AMENDMENT  
TO THE ADDITIONAL COVENANT AGREEMENT RELATING TO THE REVENUE  
REFUNDING BOND, SERIES 2013 (UNIVERSITY OF ST. FRANCIS); AND RELATED  
MATTERS  
ADOPTED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	E	Yonover
Y	Goetz	Y	McCoy	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 BOARD OF DIRECTORS  
 BOARD ROLL CALL  
 RESOLUTION 2016-0211-AD07  
 RESOLUTION AFFIRMING THE ILLINOIS FINANCE AUTHORITY'S CONTINUED  
 AUTHORIZATION TO ACQUIRE STATE VENDOR RECEIVABLES PURSUANT TO  
 ASSIGNMENT AGREEMENTS  
 ADOPTED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y Anderberg  
 Y Bronner  
 Y Fuentes  
 Y Goetz  
 Y Horne

Y Israelov  
 Y Juracek  
 Y Knox  
 Y McCoy  
 E O'Brien

Y Poole  
 E Tessler  
 E Yonover  
 Y Zeller  
 Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0211-AD08  
R RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW EXISTING  
CONTRACTS WITH VARIOUS LEGAL FIRMS  
ADOPTED

February 11, 2016

11 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	NV	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	E	Yonover
Y	Goetz	Y	McCoy	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0211-AD09  
RESOLUTION APPROVING EMERGENCY CONTRACT EXTENSION WITH ADP  
TOTALSOURCE, INC./ADP TOTALSOURCE MI VII, LLC (EMPLOYEE BENEFITS AND  
PAYROLL SERVICES) AND ACCOUNTING PRINCIPALS  
ADOPTED\*

February 11, 2016

12 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole
Y	Bronner	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	E	Yonover
Y	Goetz	Y	McCoy	Y	Zeller
Y	Horne	E	O'Brien	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

## FINANCIAL ANALYSIS

March 10, 2016

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL REPORTS  
MONTHLY AND ANNUAL SUMMARY AS OF FEBRUARY 29, 2016\*

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

**FISCAL YEAR 2016-UNAUDITED****1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. **Total Annual Revenues** equal \$3.4 million and are \$176 thousand or 6% higher than budget-due primarily to **higher** than expected closing fees received earlier in the fiscal year. Closing fees year to date of \$2.4 million, are \$165 thousand or 8% **higher** than budget. Annual fees of \$195 thousand are \$43 thousand lower than the budgeted amount. Administrative service fees are \$93 thousand for the year and 8 times higher than budget. Application fees total \$38 thousand and are almost twice the budgeted amount. Total accrued interest income from the former IRBB local governments and others totaled \$661 thousand. Net investment income stands at \$90 thousand for the fiscal year and \$35 thousand lower than budget.
- b. In **February**, the Authority generated \$155 thousand in closing fees, the lowest monthly total in FY16, and less than the monthly budget of \$276 thousand. Closing fees were received from: *Christian Homes* for \$42 thousand; *University of St. Francis* for \$60 thousand and *Chicago Shakespeare Theatre* for \$53 thousand. Administrative service fees totaled \$4,200. Investment information for February is not yet available, but in January, we recorded a net investment gain of over \$88 thousand-the highest monthly total in fiscal year 2016. Per the Authority's investment manager, January's higher investment returns were the result of a decline in interest rates (thus increasing prices) as the equity market declined significantly. There was a flight to quality, as investors bought more conservative investments (US Treasuries/Agencies) in fear of the overall capital market. This influx of purchasing drove yields lower and prices higher, resulting in the Authority's investments increasing in value in January 2016.
- c. **Total Annual Expenses** of \$2.8 million, which is \$545 thousand or 17% lower than budget, are mostly driven by vacant budgeted staff positions and delays in IT projects and purchases. Year to date employee expenses total \$1.2 million and professional services total \$1.1 million; with each function at 25% and 7% under budget, respectively. Annual occupancy costs of \$167 thousand are right on target with the budget, while general and administrative costs are \$282 thousand for the year, which is 7% over budget. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) are \$2.4 million.
- d. In **February**, the Authority recorded operating expenses of \$374 thousand, which is lower than the monthly budgeted amount of \$419 thousand.
- e. **Total Monthly Net Loss** of -\$127 thousand is driven by lower closing fees and an uptick in operating expenses.
- f. **Total Annual Net Income** is \$695 thousand. The major driver of the annual positive bottom line continues to be the level of overall spending at 17% below budget, as well as higher administrative service and application fees.

<sup>1</sup>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.



## **V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF FEBRUARY 29, 2016\***

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

The Statement of Net Position (Balance Sheet) represents results as of January 31, 2016. As of this date, the Authority is a \$120 million dollar agency which also currently accounts for \$266 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for \$24 billion in outstanding debt.

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

In the General Fund, IFA continues to maintain a strong balance sheet with total net position of \$53.3 million. The total assets in the General Fund are \$53.9 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$26.3 million (with \$5.8 million in securities which were liquidated to purchase State of Illinois receivables, as of January 2016). Notes receivables from the former IRBB local governments total \$20.2 million, Participation, DACA and other loans receivables are at \$2.9 million and the Primary Government Borrowing Fund (State of Illinois) accounts receivables total \$2.4 million. Restricted cash and investments in the DACA Loan Fund total \$1.3 million. Liabilities, current and non-current, total just \$612 thousand.

### **4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS**

Year to date activity for all other funds will be updated for the April 2016 board meeting.

### **5. FY14 AND FY15 FINANCIAL/COMPLIANCE AUDITS AND REGULATORY UPDATES**

- a. The Authority's FY14/FY15 Financial Audit and Compliance Examination are completed and the Authority is currently developing mitigation/remediation plans for the noted findings.
- b. Upcoming Governmental Accounting Standards Board (GASB) accounting and financial reporting issues critical to the Authority's financial presentation in FY16/FY17 include changes in investment reporting, fiduciary activities, leases, grants, nonexchange transaction compliance and indirectly, new guidance on tax abatements for local governments. The Financial Accounting Standards Board (FASB) has also (in response to GASB's initiative), submitted a proposal for all private sector entities to also disclose assistance received from governmental entities. GFOA, in addition to numerous state and local government finance organizations, are working with its members to support efforts to preserve the tax exemption on municipal bond interest and federal legislation to have municipal securities classified as High Quality Liquid Assets (HQLA).

### **6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

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



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND NET INCOME**  
**GENERAL OPERATING FUND**  
**FOR FISCAL YEAR 2016 AS OF FEBRUARY 29, 2016**  
**(PRELIMINARY AND UNAUDITED)**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
<b>Operating Revenues:</b>																
Closing Fees	177,507	292,080	792,030	447,890	163,066	114,611	227,594	155,443	-	-	-	-	2,370,221	2,205,297	164,924	7.5%
Annual Fees	16,990	11,752	14,204	76,691	-	40,004	34,357	1,344	-	-	-	-	195,342	238,468	(43,126)	-18.1%
Administrative Service Fees	-	15,000	10,000	-	-	43,429	25,000	-	-	-	-	-	93,429	10,000	83,429	834.3%
Application Fees	3,000	4,800	6,100	11,100	4,900	2,400	1,200	4,200	-	-	-	-	37,700	20,600	17,100	83.0%
Miscellaneous Fees	139	1,213	-	341	-	-	94	13	-	-	-	-	1,800	3,667	(1,867)	-50.9%
Interest Income-Loans	83,318	82,857	82,675	82,712	82,661	84,109	81,346	81,346	-	-	-	-	661,024	682,621	(21,597)	-3.2%
Other Revenue	-	973	169	207	206	207	200	4,748	-	-	-	-	6,710	29,333	(22,623)	-77.1%
<b>Total Operating Revenue:</b>	<b>\$280,954</b>	<b>\$ 408,675</b>	<b>\$905,178</b>	<b>\$618,941</b>	<b>\$ 250,833</b>	<b>\$ 284,760</b>	<b>\$369,791</b>	<b>\$ 247,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,366,226</b>	<b>\$ 3,189,986</b>	<b>\$ 176,240</b>	<b>5.5%</b>
<b>Operating Expenses:</b>																
Employee Related Expense	141,053	142,455	148,939	148,049	140,690	140,655	159,303	145,878	-	-	-	-	1,167,022	1,556,819	(389,797)	-25.0%
Professional Services	106,155	59,247	135,606	191,582	161,386	202,640	111,720	138,334	-	-	-	-	1,106,670	1,192,051	(85,381)	-7.2%
Occupancy Costs	19,832	23,793	11,217	42,809	13,219	15,474	14,647	25,605	-	-	-	-	166,596	166,943	(347)	-0.2%
General & Administrative	29,890	28,028	30,407	27,060	34,883	35,370	36,173	60,173	-	-	-	-	281,984	264,251	17,733	6.7%
Depreciation and Amortization	6,078	6,120	6,120	3,942	3,942	3,942	3,942	3,942	-	-	-	-	38,028	125,389	(87,361)	-69.7%
<b>Total Operating Expense</b>	<b>\$303,008</b>	<b>\$ 259,643</b>	<b>\$332,289</b>	<b>\$413,442</b>	<b>\$ 354,120</b>	<b>\$ 398,081</b>	<b>\$325,785</b>	<b>\$ 373,931</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,760,299</b>	<b>\$ 3,305,453</b>	<b>\$ (545,154)</b>	<b>-16.5%</b>
<b>Operating Income(Loss)</b>	<b>\$ (22,054)</b>	<b>\$ 149,032</b>	<b>\$572,889</b>	<b>\$205,499</b>	<b>\$ (103,287)</b>	<b>\$ (113,321)</b>	<b>\$ 44,006</b>	<b>\$ (126,837)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 605,927</b>	<b>\$ (115,467)</b>	<b>\$ 721,394</b>	<b>624.8%</b>
<b>Nonoperating Revenues (Expenses)</b>																
Miscellaneous Non-Opertg Rev/(Exp)	-	-	-	-	(610)	-	-	-	-	-	-	-	(610)	(333)	(277)	83.2%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	6,667	(6,667)	-100.0%
Interest and Investment Income	25,941	26,361	26,202	21,742	27,014	19,922	16,590	N/A	-	-	-	-	163,772	217,467	(53,695)	-24.7%
Realized Gain (Loss) on Sale of Invest	(473)	(1,332)	(442)	(502)	(9,686)	(9)	14,798	N/A	-	-	-	-	2,354	(8,667)	11,021	-127.2%
Net Appreciation (Depr) in FV of Invest	(12,645)	(26,167)	32,129	(35,752)	(58,174)	(32,358)	56,645	N/A	-	-	-	-	(76,322)	(91,333)	15,011	-16.4%
<b>Total Nonoperating Rev (Exp)</b>	<b>\$ 12,823</b>	<b>\$ (1,138)</b>	<b>\$ 57,889</b>	<b>\$ (14,512)</b>	<b>\$ (41,456)</b>	<b>\$ (12,445)</b>	<b>\$ 88,033</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,194</b>	<b>\$ 123,801</b>	<b>\$ (34,607)</b>	<b>-28.0%</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ (9,231)</b>	<b>\$ 147,894</b>	<b>\$630,778</b>	<b>\$190,987</b>	<b>\$ (144,743)</b>	<b>\$ (125,766)</b>	<b>\$132,039</b>	<b>\$ (126,837)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 695,121</b>	<b>\$ 8,334</b>	<b>\$ 686,787</b>	<b>8240.8%</b>
<b>Transfers:</b>																
Transfers in from other funds	-	-	-	-	251,683	2,076,383	72,226	-	-	-	-	-	2,400,292	-	-	0.0%
Transfers out to other funds	-	-	-	-	(251,665)	(2,076,383)	(72,226)	-	-	-	-	-	(2,400,274)	-	-	0.0%
<b>Total Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ (9,231)</b>	<b>\$ 147,894</b>	<b>\$630,778</b>	<b>\$190,987</b>	<b>\$ (144,725)</b>	<b>\$ (125,766)</b>	<b>\$132,039</b>	<b>\$ (126,837)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 695,139</b>	<b>\$ 8,334</b>	<b>\$ 686,805</b>	<b>8241.0%</b>

*\*Investment information is as of January 2016. Data for February 2016 will be provided at the April 2016 board meeting.*



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
January 31, 2016  
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
<b>Assets and Deferred Outflows:</b>								
<b>Current Assets:</b>								
<b>Unrestricted:</b>								
Cash & cash equivalents	11,132,043	-	-	39,401	11,171,444	-	11,171,444	-
Investments	4,879,905	-	-	721,521	5,601,426	-	5,601,426	-
Accounts receivable, Net	2,457,381	-	-	-	2,457,381	-	2,457,381	-
Loans receivables, Net	2,157,575	-	-	-	2,157,575	-	2,157,575	-
Accrued interest receivable	487,716	-	-	-	487,716	-	487,716	-
Bonds and notes receivable	1,677,800	-	-	-	1,677,800	-	1,677,800	-
Due from other funds	21,528	-	-	-	21,528	-	21,528	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-	3,000,000	-
Prepaid Expenses	122,546	-	-	-	122,546	-	122,546	-
<b>Total Current Unrestricted Assets</b>	<b>\$ 22,936,494</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,760,922</b>	<b>\$ 26,697,416</b>	<b>\$ -</b>	<b>\$ 26,697,416</b>	<b>\$ -</b>
<b>Restricted:</b>								
Cash & Cash Equivalents	479,853	499,369	1,008,519	3,833,794	5,821,535	51,652,044	57,473,579	25,921
Deposits in transit	-	-	42	-	42	-	42	-
Investments	235,373	194,602	2,954,978	4,124,349	7,509,302	-	7,509,302	-
Accrued interest receivable	-	-	-	4,591	4,591	18,886	23,477	-
Due from primary government	-	-	-	155,000	155,000	-	155,000	-
Bonds and notes receivable from State component units	-	-	-	-	-	1,074,042	1,074,042	-
Loans receivables, Net	-	1,359,288	74,320	46,731	1,480,339	-	1,480,339	-
<b>Total Current Restricted Assets</b>	<b>\$ 715,226</b>	<b>\$ 2,053,259</b>	<b>\$ 4,037,859</b>	<b>\$ 8,164,465</b>	<b>\$ 14,970,809</b>	<b>\$ 52,744,972</b>	<b>\$ 67,715,781</b>	<b>\$ 25,921</b>
<b>Total Current Assets</b>	<b>\$ 23,651,720</b>	<b>\$ 2,053,259</b>	<b>\$ 4,037,859</b>	<b>\$ 11,925,387</b>	<b>\$ 41,668,225</b>	<b>\$ 52,744,972</b>	<b>\$ 94,413,197</b>	<b>\$ 25,921</b>
<b>Non-current Assets:</b>								
<b>Unrestricted:</b>								
Investments	10,328,176	-	-	1,106,987	11,435,163	-	11,435,163	-
Loans receivables, Net	770,633	-	-	-	770,633	-	770,633	-
Bonds and notes receivable	18,519,237	-	-	-	18,519,237	-	18,519,237	-
Due from other local government agencies	-	-	-	-	-	-	-	-
<b>Total Noncurrent Unrestricted Assets</b>	<b>\$ 29,618,046</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,106,987</b>	<b>\$ 30,725,033</b>	<b>\$ -</b>	<b>\$ 30,725,033</b>	<b>\$ -</b>
<b>Restricted:</b>								
Cash & Cash Equivalents	-	-	-	600,000	600,000	-	600,000	-
Investments	559,379	210,220	6,300	6,475,907	7,251,806	3,272,078	10,523,884	-
Funds in the custody of the Treasurer	-	122,060	19	18,048,683	18,170,762	-	18,170,762	-
Loans receivables, Net	-	19,965,258	172,960	1,379,419	21,517,637	-	21,517,637	-
Bonds and notes receivable from primary government	-	-	-	-	-	57,990,687	57,990,687	-
Bonds and notes receivable from State component units	-	-	-	-	-	31,366,177	31,366,177	-
<b>Total Noncurrent Restricted Assets</b>	<b>\$ 559,379</b>	<b>\$ 20,297,538</b>	<b>\$ 179,279</b>	<b>\$ 26,504,009</b>	<b>\$ 47,540,205</b>	<b>\$ 92,628,942</b>	<b>\$ 140,169,147</b>	<b>\$ -</b>
<b>Capital Assets</b>								
Capital Assets	784,479	-	-	-	784,479	-	784,479	-
Accumulated Depreciation	(745,998)	-	-	-	(745,998)	-	(745,998)	-
<b>Total Capital Assets</b>	<b>\$ 38,481</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,481</b>	<b>\$ -</b>	<b>\$ 38,481</b>	<b>\$ -</b>
<b>Total Noncurrent Assets</b>	<b>\$ 30,215,906</b>	<b>\$ 20,297,538</b>	<b>\$ 179,279</b>	<b>\$ 27,610,996</b>	<b>\$ 78,303,719</b>	<b>\$ 92,628,942</b>	<b>\$ 170,932,661</b>	<b>\$ -</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
 January 31, 2016  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
<b>Total Assets</b>	<b>\$ 53,867,626</b>	<b>\$ 22,350,797</b>	<b>\$ 4,217,138</b>	<b>\$ 39,536,383</b>	<b>\$ 119,971,944</b>	<b>\$ 145,373,914</b>	<b>\$ 265,345,858</b>	<b>\$ 25,921</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>								
Deferred loss on debt refunding	-	-	-	-	-	671,983	671,983	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 671,983</b>	<b>\$ 671,983</b>	<b>\$ -</b>
<b>Total Assets &amp; Deferred Inflows of Resources</b>	<b>\$ 53,867,626</b>	<b>\$ 22,350,797</b>	<b>\$ 4,217,138</b>	<b>\$ 39,536,383</b>	<b>\$ 119,971,944</b>	<b>\$ 146,045,897</b>	<b>\$ 266,017,841</b>	<b>\$ 25,921</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
January 31, 2016  
(PRELIMINARY AND UNAUDITED)

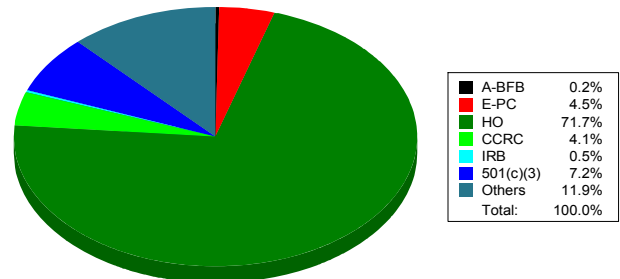
	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
<b>Liabilities:</b>								
<b>Current Liabilities:</b>								
Payable from unrestricted current assets:								
Accounts payable	58,271	-	-	-	58,271	-	58,271	-
Accrued liabilities	133,098	-	-	-	133,098	-	133,098	-
Due to employees	101,017	-	-	-	101,017	-	101,017	-
Due to primary government	80,001	-	-	-	80,001	-	80,001	-
Due to other funds	-	-	-	21,528	21,528	-	21,528	-
Other liabilities	50,000	-	-	-	50,000	-	50,000	25,912
Unearned revenue, net of accumulated amortization	189,728	-	-	-	189,728	-	189,728	-
<b>Total Current Liabilities Payable from Unrestricted Current Assets</b>	<b>\$ 612,115</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,528</b>	<b>\$ 633,643</b>	<b>\$ -</b>	<b>\$ 633,643</b>	<b>\$ 25,912</b>
Payable from restricted current assets:								
Accrued interest payable	-	-	-	515	515	1,176,113	1,176,628	-
Bonds and notes payable from primary government	-	-	-	-	-	-	-	-
Bonds and notes payable from State component units	-	-	-	-	-	841,018	841,018	-
Current portion of long term debt	-	-	-	60,584	60,584	-	60,584	-
Other liabilities	-	-	-	155,000	155,000	-	155,000	-
Unamortized bond premium	-	-	-	-	-	1,566,584	1,566,584	-
<b>Total Current Liabilities Payable from Restricted Current Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 216,099</b>	<b>\$ 216,099</b>	<b>\$ 3,583,715</b>	<b>\$ 3,799,814</b>	<b>\$ -</b>
<b>Total Current Liabilities</b>	<b>\$ 612,115</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 237,627</b>	<b>\$ 849,742</b>	<b>\$ 3,583,715</b>	<b>\$ 4,433,457</b>	<b>\$ 25,912</b>
<b>Noncurrent Liabilities</b>								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	585	-	-	-	585	-	585	-
<b>Assets</b>	<b>\$ 585</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 585</b>	<b>\$ -</b>	<b>\$ 585</b>	<b>\$ -</b>
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	-	-	-	-	-	97,675,000	97,675,000	-
Bonds and notes payable from State component units	-	-	-	-	-	36,862,465	36,862,465	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512	-	248,512	-
Noncurrent loan reserve	-	-	-	562,675	562,675	-	562,675	-
Unamortized bond premium	-	-	-	-	-	7,924,717	7,924,717	-
<b>Total Noncurrent Liabilities Payable from Restricted Noncurrent</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 811,187</b>	<b>\$ 811,187</b>	<b>\$ 142,462,182</b>	<b>\$ 143,273,369</b>	<b>\$ -</b>
<b>Total Noncurrent Liabilities</b>	<b>\$ 585</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 811,187</b>	<b>\$ 811,772</b>	<b>\$ 142,462,182</b>	<b>\$ 143,273,954</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 612,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,048,814</b>	<b>\$ 1,661,514</b>	<b>\$ 146,045,897</b>	<b>\$ 147,707,411</b>	<b>\$ 25,912</b>
<b>Net Position:</b>								
Net Investment in Capital Assets	38,481	-	-	-	38,481	-	38,481	-
Restricted	-	22,105,662	4,209,192	33,588,661	59,903,515	-	59,903,515	-
Unrestricted	52,482,632	-	-	4,844,161	57,326,793	-	57,326,793	-
Current Change in Net Position	733,813	245,135	7,946	54,747	1,041,641	-	1,041,641	9
<b>Total Net Position</b>	<b>\$ 53,254,926</b>	<b>\$ 22,350,797</b>	<b>\$ 4,217,138</b>	<b>\$ 38,487,569</b>	<b>\$ 118,310,430</b>	<b>\$ -</b>	<b>\$ 118,310,430</b>	<b>\$ 9</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 53,867,626</b>	<b>\$ 22,350,797</b>	<b>\$ 4,217,138</b>	<b>\$ 39,536,383</b>	<b>\$ 119,971,944</b>	<b>\$ 146,045,897</b>	<b>\$ 266,017,841</b>	<b>\$ 25,921</b>

## Bonds Issued - Fiscal Year Comparison for the Period Ending February 29, 2016

### Fiscal Year 2014

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

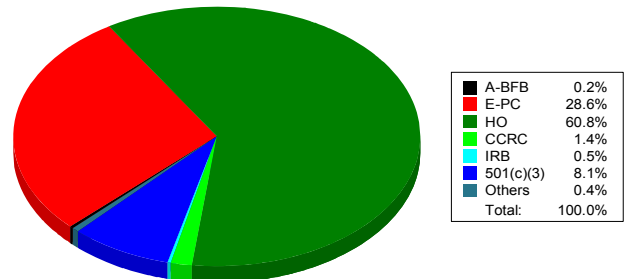
### Bonds Issued in Fiscal Year 2014



### Fiscal Year 2015

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

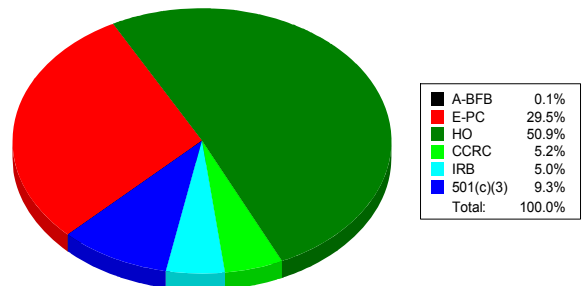
### Bonds Issued in Fiscal Year 2015



### Fiscal Year 2016

#	Market Sector	Principal Issued
6	Agriculture - Beginner Farmer	1,779,775
7	Education	588,265,000
9	Healthcare - Hospital	1,014,973,000
3	Healthcare - CCRC	102,807,000
1	Industrial Revenue	100,000,000
6	501(c)(3) Not-for-Profit	186,265,000
<u>32</u>		<u>\$1,994,089,775</u>

### Bonds Issued in Fiscal Year 2016





**Bonds Issued and Outstanding  
as of  
February 29, 2016**

**Bonds Issued between July 01, 2015 and February 29, 2016**

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginning Farmer Bond	07/01/2015	Fixed at Schedule	1,779,775	0
E-PC North Central College	07/09/2015	Variable	30,177,000	0
501(c)(3) Shedd Aquarium Society	07/24/2015	Fixed at Schedule	22,945,000	22,945,000
501(c)(3) Field Museum of Natural History	07/28/2015	Variable	88,500,000	88,500,000
HO Little Company of Mary Hospital	08/18/2015	Variable	102,000,000	72,000,000
501(c)(3) The Joint Commission	08/26/2015	Fixed at Schedule	16,000,000	0
501(c)(3) Providence St. Mel	09/01/2015	Variable	19,040,000	9,800,000
501(c)(3) Goodman Theatre	09/01/2015	Fixed at Schedule	24,680,000	24,680,000
CCRC Villa St. Benedict	09/10/2015	Fixed at Schedule	39,030,000	37,210,000
E-PC The University of Chicago	09/10/2015	Fixed at Schedule	415,825,000	224,030,000
HO Advocate Health Care	09/25/2015	Fixed at Schedule	100,000,000	100,000,000
HO OSF HealthCare System	09/28/2015	Fixed at Schedule	368,150,000	216,231,343
HO Palos Community Hospital	10/01/2015	Variable	232,015,000	220,145,000
HO Riverside Health Systems	10/14/2015	Variable	37,165,000	37,165,000
E-PC Columbia College Chicago	10/15/2015	Fixed at Schedule	58,465,000	58,465,000
CCRC Plymouth Place	10/20/2015	Fixed at Schedule	56,260,000	56,260,000
HO Advocate Health Care	10/22/2015	Fixed at Schedule	71,645,000	0
E-PC Nazareth Academy	10/28/2015	Variable	25,200,000	10,500,000
HO Sarah Bush Lincoln Health Center	11/24/2015	Variable	30,000,000	0
HO Passavant Hospital	11/30/2015	Variable	22,778,000	0
CCRC Norwegian Lutheran Bethesda Home Association	12/16/2015	Variable	7,517,000	582,446
E-PC Intrinsic Schools-Belmont School Project	12/17/2015	Fixed at Schedule	21,855,000	0
E-PC Loyola Academy	01/26/2016	Variable	21,743,000	21,500,000
IRB CenterPoint Joliet Terminal Railroad, LLC	01/28/2016	Variable	100,000,000	0
HO UnityPoint Health	02/08/2016	Variable	51,220,000	51,220,000
501(c)(3) Chicago Shakespeare Theater	02/11/2016	Variable	15,100,000	4,100,000
E-PC University of St. Francis	02/23/2016	Variable	15,000,000	0

Total Bonds Issued as of February 29, 2016 \$ 1,994,089,775 \$ 1,255,333,789

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

Beginner Farmer Bonds interest rates are shown in section below.



Beginner Farmer Bonds Funded between July 01, 2015 and February 29, 2016

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
09/30/2015	5.00	460,000	80.00	Montgomery
10/02/2015	5.00	98,100	39.24	Saline
10/14/2015	5.00	333,750	50.00	Ford
11/09/2015	2.9	174,000	58.00	Wayne
12/11/2015	3.25	230,000	33.00	Whiteside
12/29/2015	3.00	483,925	74.45	Henry
Total Beginner Farmer Bonds Issued		<u>\$ 1,779,775</u>	<u>334.69</u>	



## ILLINOIS FINANCE AUTHORITY

Schedule of Debt <sup>(a)</sup>

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

## Section I (a)

Section I (a)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	February 29, 2016		
Illinois Finance Authority "IFA" <sup>[b]</sup>				
Agriculture	\$ 48,313,152	\$ 50,092,927		
Education	4,273,041,117	4,640,202,977		
Healthcare	13,533,399,874	13,961,033,571		
Industrial Development [includes Recovery Zone/Midwest Disaster]	695,925,824	832,410,373		
Local Government	294,800,000	299,555,000		
Multifamily/Senior Housing	168,364,435	166,441,477		
501(c)(3) Not-for Profits	1,406,590,039	1,571,745,481		
Exempt Facilities Bonds	249,915,000	199,915,000		
1	Total IFA Principal Outstanding	\$ 20,670,349,441	\$ 21,721,396,806	
Illinois Development Finance Authority "IDFA" <sup>[b]</sup>				
Education	496,388	496,388		
Healthcare	80,200,000	80,200,000		
Industrial Development	113,009,098	213,696,143		
Local Government	358,231,651	224,802,285		
Multifamily/Senior Housing	704,441,769	83,679,117		
501(c)(3) Not-for Profits	118,035,000	629,984,708		
	Exempt Facilities Bonds			
	Total IDFA Principal Outstanding	\$ 1,374,413,906	\$ 1,232,858,640	
Illinois Rural Bond Bank "IRBB" <sup>[b]</sup>				
	Total IRBB Principal Outstanding	\$ -	\$ -	
	Illinois Health Facilities Authority "IHFA"	\$ 739,875,000	\$ 642,304,894	
	Illinois Educational Facilities Authority "IEFA"	\$ 640,921,000	\$ 572,918,000	
	Illinois Farm Development Authority "IFDA" <sup>[f]</sup>	\$ 15,646,526	\$ 15,587,111	
	Total Illinois Finance Authority Debt	\$ 23,441,205,873	\$ 24,185,065,451	\$ 28,150,000,000
				\$ 3,964,934,549

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, 2015	February 29, 2016		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
*Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission				
	36,280,000	34,885,000		
Total General Moral Obligations	\$ 36,280,000	\$ 34,885,000	\$ 150,000,000	\$ 115,115,000
* All the Local Government bonds were defeased as of August 1, 2014.				
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA				
	\$ -	\$ -		
Issued through IDFA				
	-	-		
Total Financially Distressed Cities	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
State Component Unit Bonds <sup>[c]</sup>				
Issued through IDFA <sup>[1]</sup>				
	-	-		
Issued through IFA <sup>[1]</sup>				
	122,656,626	100,826,357		
Total State Component Unit Bonds	\$ 122,656,626	\$ 100,826,357		

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

## Section I (c)

	Principal Outstanding		Remaining MDAB Volume Cap
	June 30, 2015	February 29, 2016	
<b>Midwestern Disaster Area Bonds [Flood Relief]</b>	<b>\$ 65,257,870</b>	<b>\$ 64,719,538</b>	<b>N/A</b>

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

## Section I (d)

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

\*\* 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 <sup>[a]</sup>

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

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	February 29, 2016		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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

Section III	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	February 29, 2016		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 <sup>[d]</sup>	\$ 3,000,000,000

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

Section IV	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2015	February 29, 2016			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,187,531	\$ 8,108,370	\$ 7,259,803	\$ 160,000,000	\$ 152,740,197	\$ 6,168,978
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$7,867,724	\$ 8,511,765	\$ 7,684,961	\$ 225,000,000 <sup>[e]</sup>	\$ 217,315,039	\$ 6,532,217
Agri Industry Loan Guarantee Program	\$ 4,543,157	\$ 3,992,786			3,393,869
Farm Purchase Guarantee Program	909,887	898,197			763,468
Specialized Livestock Guarantee Program	2,163,574	1,920,064			1,632,054
Young Farmer Loan Guarantee Program	895,146	873,914			742,826
Total State Guarantees	\$ 16,620,134	\$ 14,944,764	\$ 385,000,000	\$ 370,055,236	\$ 12,701,195

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

Section V			Principal Outstanding		Cash and Investment Balance
			June 30, 2015	February 29, 2016	
	Fire Truck Revolving Loan Program*	Fund # 572	\$ 17,052,813	\$ 21,324,546	\$ 1,020,917
	Ambulance Revolving Loan Program *	Fund # 334	\$ 415,920	\$ 247,280	\$ 3,965,156

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

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

Section VI	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	February 29, 2016		
Environmental [Large Business]				
Issued through IFA	\$ 16,495,000	\$ 63,570,000		
Issued through IDFA	118,035,000	113,710,000		
Total Environmental [Large Business]	\$ 134,530,000	\$ 177,280,000	\$ 2,425,000,000	\$ 2,247,720,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 134,530,000	\$ 177,280,000	\$ 2,500,000,000	\$ 2,322,720,000

## Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding	
		June 30, 2015	February 29, 2016
Participation Loans			
Business & Industry	23,020,158	1,107,646	1,064,554
Agriculture	6,079,859	96,159	96,159
Participation Loans exluding Defaults & Allowances	29,100,017	1,203,805	1,160,713
Plus: Legacy IDFA Loans in Default		858,458	843,173
Less: Allowance for Doubtful Accounts		1,002,182	976,359
Total Participation Loans		1,060,081	1,027,527
Local Government Direct Loans	1,289,750	126,000	114,000
Rural Bond Bank Local Government Note Receivable		20,462,037	17,189,937
FmHA Loans	963,250	207,658	192,118
Renewable Energy [RED Fund]	2,000,000	1,302,261	1,238,350
Total Loans Outstanding	34,353,017	23,158,036	19,761,932
IRBB funds were defeased and transferred into a note receivable with the IFA.			

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

Section VIII	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2015	February 29, 2016		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 <sup>[d]</sup>	\$ 185,000,000

<sup>[a]</sup> Total subject to change; late month payment data may not be included at issuance of report.<sup>[b]</sup> State Component Unit Bonds included in balance.<sup>[c]</sup> Does not include Unamortized issuance premium as reported in Audited Financials.<sup>[d]</sup> Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.<sup>[e]</sup> Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.<sup>[f]</sup> Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.<sup>[g]</sup> Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.<sup>[h]</sup> 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]<sup>[i]</sup> Includes EPA Clean Water Revolving Fund

\* Preliminary balances that are subject to change.



ILLINOIS FINANCE AUTHORITY  
MEMORANDUM

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** March 10, 2016  
**Re:** Monthly Procurement Report

**CONTRACTS EXECUTED**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Emergency Contracts</i>							
State of Illinois Procurement for Legal Services	Mayer Brown, LLP	90 days	12/15-02/16	\$ 75,000	\$ 39,474	\$ 39,474	\$ 19,737
<i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i>							
Legal Services-Master Legal Pool Contract/Approved Counsel	Various - Pool comprised of 38 firms:	1	-	\$ 750,000	\$ 2,250,000	N/A	\$ 750,000
Legal Services-Master Legal Pool Contract/Approved Counsel	Armstein & Lehr LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Burke Burns & Pinelli, Ltd.	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Cahill Law Offices	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Chapman and Cutler LLP	1	03/14-03/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Charity & Associates, P.C.	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Del Galdo Law Group	1	03/14-03/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Deutsch, Levy & Engel, Chtd.	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Duane Morris LLP	1	03/14-03/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Foley & Lardner LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Franczek Radelet	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Gonzalez Saggio and Harlan, LLC	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Greenberg Traurig, LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Greene and Letts	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Hardwick Law Firm LLC	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Hart, Southworth & Witsman	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Hinshaw & Culbertson LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Holland & Knight LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Howard & Howard Attorneys PLLC	1	03/14-03/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Ice Miller LLP	1	02/14-06/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Katten Muchin Rosenman LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Kutak Rock LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Laner Muchin, Ltd	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	McGaugh Law Group LLC	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	McGuire Woods LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Miller, Canfield, Paddock and Stone, P.L.C.	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Miller, Hall, & Triggs, LLC	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Peck, Shaffer & Williams LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Pugh, Jones & Johnson, P.C.	1	02/14-02/16	N/A	N/A	N/A	N/A



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** March 10, 2016  
**Re:** Monthly Procurement Report

Legal Services-Master Legal Pool Contract/Approved Counsel	Quarles & Brady LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Quintairos, Prieto, Wood, & Boyer	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Reyes Kurson, LTD.	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Rock Fusco & Connelly, LLC	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Sanchez Daniels & Hoffman LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Schiff Hardin LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Shanahan & Shanahan LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Taft Stettinius & Hollister, LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Thompson Coburn LLP	1	02/14-02/16	N/A	N/A	N/A	N/A
Legal Services-Master Legal Pool Contract/Approved Counsel	Ungaretti & Harris LLP	1	02/14-02/16	N/A	N/A	N/A	N/A

**CONTRACTS PENDING EXECUTION**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Debt Management Software Application	Technology Partnership Group, Inc.	3	04/16-03/18	\$ 552,250	N/A	N/A	N/A
<i>Illinois Procurement Code-CPO Small Purchases</i>							
Insurance Brokering Services-Employee Benefits	Mesirow Insurance Services, Inc.	1	06/16-05/17	\$ 50,000	\$ 50,000	\$ 233,000	\$ 233,000



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** March 10, 2016  
**Re:** Monthly Procurement Report

**EXPIRED AND EXPIRING CONTRACTS**

Services Provided	Vendor	Previous Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<b><i>Illinois Procurement Code-Competitive Bids/Proposals</i></b>							
Legislative Services (Expired 9/30/15)	Howard Kenner Government Consulting	90 days	07/15-09/15	\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Bank Of America/Merrill Lynch Inc.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Citigroup	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Piper Jaffray & Co.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Ramirez & Co., Inc.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Siebert Brandford Shank & Co.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Wells Fargo Bank	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	J.P. Morgan Securities LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Jeffries LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Loop Capital Markets LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Morgan Stanley & Co. LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Raymond James	3	08/13-07/16	-	-	-	-
Financing for energy efficiency projects*	Noresco, LLC	5	11/11-11/16	-	-	-	-
<i>*Per the direction of the Executive Director, these contracts will not be renewed and/or new solicitations will not be initiated</i>							
<b><i>Illinois Procurement Code-CPO Emergency Contracts</i></b>							
Loan Management Services	Mabsco, Inc.	90 days	01/16-03/16	\$ 25,000	\$ 50,000	\$ 50,000	\$ 100,000
Paying Agent/Custodian Services	U.S. Bank National Association	90 days	01/16-03/16	4,750	9,500	9,500	20,000
IT Network Consulting Services	Catalyst Consulting, Inc.	90 days	01/16-03/16	15,000	30,000	30,000	60,000
Board Book Printing Services	Swift Impressions, Inc.	90 days	01/16-03/16	2,500	6,000	6,000	10,000
Temporary Finance/Procurement/Compliance Staffing	Accounting Principals, Inc.	90 days	01/16-04/16	71,103	46,992	46,992	150,000
Payroll Services and Employee Benefits	ADP TotalSource, Inc.	121 days	01/16-05/16	99,800	74,850	74,850	233,000
<b><i>Illinois Procurement Code-CPO Small Purchases</i></b>							
Insurance Brokering Services-Director's/Officers; Property/Casualty	Mesirow Insurance Services, Inc.	1	06/15-06/16	\$ 22,900	\$ 22,900	\$ 22,900	\$ 22,900
Electronic Records Management Software-Maintenance/Support	Com Microfilm	16 mos	03/15-06/16	24,000	N/A	N/A	12,000
Electronic Records Management Software-Document Scanning	Com Microfilm	15 mos	03/15-06/16	49,500	175,000	175,000	66,726
Temporary Staffing Services	Anchor Staffing	1	07/15-06/16	49,500	25,000	25,000	25,000
Moving and storage services	Midwest Moving and Storage, Inc.	1	07/15-06/16	35,000	45,000	45,000	45,000
<b><i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i></b>							
Indicative Ratings	Fitch Ratings	2	04/14-03/16	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** March 10, 2016  
**Re:** Monthly Procurement Report

**UPCOMING RENEWALS**

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i>							
Financial Advisory Services	Acacia	1	07/16-07/17	\$ 175,000	\$ 443,750	N/A	\$ 123,690
Financial Advisory Services	Sycamore Advisors, LLC	1	07/16-07/17	175,000	-	-	13,289
Custodial services for the benefit of the Authority	Amalgamated Bank of Chicago	2	11/16-11/18	32,000	32,000	32,000	16,000
Investment management services for the Locally held funds	Clear Arc Capital, Inc.	2	12/16-12/18	N/A	-	-	33,014
Bloomberg Anywhere license for remote access to services	Bloomberg Finance L.P.	2	12/16-12/18	37,538	42,000	18,769	18,769

**ACTIVE SOLICITATIONS**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i>							
Specialty Accounting/Audit Services	TBD	2	04/16-03/18	N/A	\$ -	\$ -	\$ -

**UPCOMING SOLICITATIONS**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Employee Benefits and Payroll Services	TBD	-	-	N/A	\$ 233,000	\$ 233,000	\$ 233,000
IT Software Support and Temporary Staffing	Anticipated award Aug 2016	2	09/16-08/18	N/A	-	-	-
IT Network Support	Anticipated award Aug 2016	3	09/16-08/19	N/A	90,000	90,000	30,000
Typesetting and Printing Services	Anticipated award Aug 2016	3	09/16-08/19	N/A	40,000	40,000	40,000
Financial Advisory Services (State Revolving Fund)	Anticipated award Aug 2016	3	09/16-08/19	N/A	-	-	-
Marketing Services	Anticipated award Aug 2016	3	09/16-08/19	N/A	300,000	179,276	89,638
Insurance Broker	Anticipated award Jun 2016	3	06/16-06/19	N/A	68,700	68,700	22,900



ILLINOIS FINANCE AUTHORITY  
MEMORANDUM

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** March 10, 2016  
**Re:** Monthly Procurement Report

***IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals***

Loan Management and Paying Agent/Custodian Services	Anticipated award Aug 2016	3	09/16-08/19	N/A	\$ 110,000	\$ 158,662	\$ 52,887
Financial Deposit Institution/Cash Management	Anticipated award Aug 2016	5	09/16-08/21	N/A	105,000	105,000	105,000
Investment Advisor and/or Mgmt. Services	Per BOD Direction	2	N/A	N/A	N/A	N/A	N/A

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

**PROPOSED CHANGES TO IFA PROCUREMENT POLICY**

Per discussion with Procurement Policy Board, Chief Procurement Officer, and Authority, an intergovernmental agreement will be drafted and submitted to the Board for approval to further clarify specific compliance, procedures and responsibilities needed for Authority management to fulfill its obligation under the Illinois Procurement Code and IFA's own Procurement Policy.

**MONTHLY PROCUREMENT REPORT CONTINUED**  
**March 10, 2016**

<b>SUMMARY OF PROCUREMENT ACTIVITY SINCE MAY 2014</b>											
<b>CONTRACTS AWARDED</b>				<b>SOLICITATIONS/PROCUREMENTS INITIATED</b>			<b>CONTRACTS EXECUTED</b>				
<b>MONTH</b>	<b>IL PROC CODE</b>	<b>IFA EXEMPTION</b>	<b>TOTAL</b>	<b>IL PROC CODE</b>	<b>IFA EXEMPTION</b>	<b>TOTAL</b>	<b>IL PROC CODE</b>	<b>IFA EXEMPTION</b>	<b>TOTAL</b>		
May, 2014	0	2	2	0	0	0	0	1	1		
June, 2014	0	2	2	0	0	0	0	2	2		
July, 2014	0	2	2	0	0	0	0	7	7		
August, 2014	0	2	2	1	1	2	0	2	2		
September, 2014	0	0	0	1	1	2	0	0	0		
October, 2014	0	0	0	1	1	2	0	0	0		
November, 2014	0	0	0	1	1	2	0	0	0		
December, 2014	0	0	0	1	1	2	0	0	0		
February, 2015	0	1	1	1	0	1	0	0	0		
March, 2015	0	1	1	2	0	2	0	0	0		
April, 2015	0	2	2	2	0	2	0	0	0		
May, 2015	13	1	14	1	2	3	0	0	0		
June, 2015	8	1	9	1	2	3	0	0	0		
July, 2015	0	0	0	1	2	3	10	2	12		
August, 2015	0	0	0	1	1	2	0	0	0		
September, 2015	1	0	1	1	1	2	5	0	5		
October, 2015	3	0	3	0	1	1	0	0	0		
November, 2015	2	0	2	3	1	4	5	0	5		
December, 2015	0	0	0	0	1	1	3	0	3		
January, 2016	7	1	8	9	1	10	10	1	11		
February, 2016	1	36	37	0	1	1	1	36	37		
<b>Totals</b>	<b>35</b>	<b>51</b>	<b>86</b>	<b>27</b>	<b>18</b>	<b>45</b>	<b>34</b>	<b>51</b>	<b>85</b>		

*\*Above totals do not include including memberships, office supply orders, publications, conferences, or other day to day small purchases, etc.*



# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Patrick Evans and Lorrie Karcher  
Date: March 10, 2016  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$520,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Bond Financing Presented for Approval: \$803,000**
- **Calendar Year Summary:** (as of March 10, 2016)
  - Volume Cap: \$10,000,000
  - Volume Cap Committed: \$1,158,720
  - Volume Cap Remaining: \$8,841,280
  - Average Farm Acreage: 64
  - Number of Farms Financed: 5
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2016 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**  
Stephen F. Welcome, Esq.  
Three First National Plaza, Suite 4300  
Chicago, IL 60602

**A. Project Number:** 30365  
**Borrower(s):** Ringger, Timothy W.  
Borrower Benefit: First Time Land Buyer  
Town: Bradford, IL  
**IFA Bond Amount:** \$301,000  
Use of Funds: Farmland – 80 acres of farmland  
Purchase Price: \$617,639 / \$7,720 per acre  
%Borrower Equity 10%  
% USDA Farm Service Agency 45% (*Subordinate Financing*)  
%IFA 45% (Bank-purchased Bond – Senior Financing)  
Township: Osceola  
Counties/Regions: Stark / North Central  
Lender/Bond Purchase: State Bank of Toulon / Doug Blunier  
**Legislative Districts:**  
Congressional: 16  
State Senate: 37  
State House: 73

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on April 1, 2017. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on April 1, 2017 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**B. Project Number:** 30366  
**Borrower(s):** Loepker, Kyler  
Borrower Benefit: First Time Land Buyer  
Town: Bartelso, IL  
**IFA Bond Amount:** \$502,000  
Use of Funds: Farmland – 153.5 acres of farmland  
Purchase Price: \$870,000 / \$5,668 per acre  
%Borrower Equity 5.7%  
% USDA Farm Service Agency 34.5% (*Subordinate Financing*)  
%IFA 59.8% (Bank-purchased Bond – Senior Financing)  
Township: Lake  
Counties/Regions: Clinton / Southwestern  
Lender/Bond Purchase: The First National Bank of Carlyle / Chris Maschhoff  
**Legislative Districts:**  
Congressional: 15  
State Senate: 54  
State House: 108

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

**\$85,000,000 (not-to-exceed amount)**

March 10, 2016

**DePaul University**

<b>REQUEST</b>	<p><b>Purpose:</b> The proposed financing will enable <b>DePaul University</b> (the “<b>University</b>” or the “<b>Borrower</b>”) to issue one or more series of Revenue Bonds to (i) finance new facilities, including without limitation (a) the planning, design, acquisition, construction, furnishing and equipping of a new school of music building, and related infrastructure, landscaping, signage and other similar improvements and (b) the renovating, remodeling and equipping of various educational facilities owned by the University, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto at its Loop and Lincoln Park campuses (collectively, the “<b>Project</b>”), (ii) pay certain working capital expenditures, if deemed desirable by the University and (iii) pay certain costs relating to the issuance of the Bonds (the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>			
<b>BOARD ACTIONS</b>	<p>Final Bond Resolution (<i>One-time consideration</i>)</p> <p>This is the first time this project has been considered by the IFA Board of Directors</p>			
<b>MATERIAL CHANGES</b>	None.			
<b>JOB DATA</b>	3,737	Current jobs	*	New jobs projected (* new faculty and administrative jobs to be correlated with enrollment and student demand - according to the University)
	N/A	Retained jobs	300+	Construction jobs projected (28 months)
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Chicago (Cook County/Northeast Region)</li> <li>• DePaul’s original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent’s College.</li> <li>• The proposed Series 2016 Bonds will enable DePaul to finance a series of new projects including (i) the new School of Music building at the Lincoln Park campus, (ii) rehabilitation and improvements to the John T. Richardson Library at the Lincoln Park campus, and (iii) a series of capital improvement projects at the University’s Loop Campus.</li> </ul>			
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• DePaul is currently rated “A2”/ “A”/“A” long-term by Moody’s/S&amp;P/Fitch (most recently affirmed as of May 2015, April 2015, and April 2015, respectively). The University has applied for ratings in connection with this issue and on its outstanding debt and expects to be awarded ratings from all three rating agencies during the week of 3/7/2016.</li> </ul>			
<b>PROPOSED STRUCTURE</b>	<ul style="list-style-type: none"> <li>• The Bonds will be underwritten by Goldman Sachs &amp; Company (Senior Manager) and sold based on the direct, underlying ratings of DePaul University. RBC Capital Markets LLC and Samuel A. Ramirez &amp; Co., Inc. will be Co-Managers. Maximum 30-year maturity featuring a 10-year call option (at Par) controlled by DePaul.</li> <li>• Estimated interest rates range of 4.00% to 4.50% based on market conditions based on anticipated maturities as of 2/25/2016.</li> </ul>			
<b>SOURCES AND USES</b> (*PRELIMINARY, SUBJECT TO CHANGE)	<b>Sources:</b>		<b>Uses:</b>	
	IFA Bonds	\$80,000,000	Project Costs	\$112,895,000
	Borrower Equity	<u>32,895,000</u>	**Costs of Issuance	-
	<b>Total</b>	<b><u>\$112,895,000</u></b>	<b>Total</b>	<b><u>\$112,895,000</u></b>
	**Costs of Issuance to be paid with borrower funds (equity)			
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
March 10, 2016**

**Project:** DePaul University

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**STATISTICS**

Project Number: 12320	Amount: Not to exceed \$85,000,000
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton and Brad R. Fletcher
Location: Chicago	County/Region: Cook County/Northeast

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**BOARD ACTION**

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

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**PURPOSE**

Bond proceeds will be issued in one or more series and used to construct and renovate space that will (i) comprise a new music building (i.e., the School of Music) at DePaul University's Lincoln Park campus, (ii) finance Phase 3 and Phase 4 of the John T. Richardson Library Renovations project at DePaul's Lincoln Park campus, (iii) finance the renovation of existing space at DePaul's Daley Building on the Loop Campus, and (iv) additional renovations, including elevator replacement at 25 E. Jackson Blvd. and 14 E. Jackson Blvd. (both Loop Campus) and upgrades to the HVAC system at the DePaul Center at 1 E. Jackson Blvd. Additionally, although not contemplated in the Sources and Uses of Funds tables presented herein, bond proceeds may also be used to pay bond issuance costs if deemed necessary or desirable by the University.

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**IFA CONTRIBUTION AND PROGRAM**

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

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**VOTING RECORD**

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

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**SOURCES AND USES OF FUNDS**

Sources:	IFA Refunding Bonds	\$80,000,000	Uses:	Project Costs	\$112,895,000
	Equity	<u>32,895,000</u>		**Costs of Issuance	-
	<b>Total</b>	<b><u>\$112,895,000</u></b>		<b>Total</b>	<b><u>\$112,895,000</u></b>

**\*\* Note:** The University will contribute its own funds to pay Costs of Issuance on the Series 2016 Bonds. No bond proceeds will be used to pay Costs of Issuance. A final estimate for Costs of Issuance will be provided in the Final Official Statement in connection with the Series 2016 Bonds.

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### JOBS

Current employment:	3,737	Projected new jobs:	*** (see Note below)
Jobs retained:	N/A	Construction jobs:	300+ (28 months)

\*\*\***Note:** The University reports the creation of new faculty, administrative, and staff positions will be dependent on student enrollment and the competitive value of DePaul's academic offerings.

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### FINANCING SUMMARY

Security/ Ratings:	<p>The Bonds will be sold based on the direct, underlying rating of DePaul University. DePaul long-term debt is currently rated "A2"/ "A-"/"A" long-term by Moody's/S&amp;P/Fitch. The University's ratings were most recently affirmed in April 2015 by S&amp;P and Fitch and in May 2015 by Moody's.</p> <p>DePaul has applied for ratings from Moody's/S&amp;P/Fitch on the Series 2016 and expects ratings to be awarded during the week of 3/7/2016.</p>
Structure:	The Bonds will be underwritten by Goldman Sachs & Co. (Senior Manager) and sold on the basis of the University's long-term debt ratings.
Interest Rate:	Estimated all-in interest rates of between 4.00% and 4.50% based on current market rates and anticipated maturities.
Maturity:	The IFA Series 2016 Bonds are expected mature in not more than 30 years. The Bonds may be structured with a 10-year call option (at par) under DePaul's control.
Anticipated Closing Date:	April 2016
Rationale:	Tax-Exempt bond financing will reduce interest expense associated with this debt, thereby enabling the University to provide more services and a higher quality of education with the same revenues. The construction and renovation project made possible by the IFA Series 2016 Bonds will allow the University to build upon current academic quality levels and maintain its current competitive standing.

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### BUSINESS SUMMARY

Background:	<p>DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and originally known as St. Vincent's College.</p> <p>The University is governed by a two-tiered governance committee consisting of (1) <i>the Members of the Corporation</i>, a self-perpetuating body comprised of 12 individuals (of which at least two-thirds are representatives of the Congregation of the Mission (C.M.), the religious community that sponsors the University), and (2) <i>the Board of Trustees</i>.</p> <p>The Members of the Corporation is to elect trustees to serve on the University's Board of Trustees.</p> <p>The Board of Trustees oversees the functions of the University, and elects specific officers, including the president, provost, executive vice president, and secretary. The president appoints other officers. Currently, there are 41 Trustees of the University elected to serve staggered 3-year terms (40 to 45 trustees are required under the University's By-Laws). <i>A list of the University's current Board of Trustees is presented on page 7 of this report.</i></p>
Description:	The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution serving metropolitan Chicago. As of fall 2015, the University

remains the largest Catholic university in the nation and among the nation's largest private universities. In fall 2015, the University posted total enrollment of 23,539 students, including 15,961 undergraduate students and 7,578 graduate and professional students.

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

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

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

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

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

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

Series 2016  
Bonds –  
School of  
Music  
Project:

In alignment with the University's strategic planning goals (i.e., Vision 2018) of enhancing academic quality, strengthening educational excellence, and deepening DePaul's connection to Chicago, on October 30, 2015, the University's Board of Trustees authorized Phase 1 of the new School of Music building on the Lincoln Park campus.

In November 2015, the University announced its plan to commence construction of Phase 1 of the new School of Music building. Construction of the new School of Music building (to be located along the west side of N. Halsted St., between Fullerton and Belden avenues), will begin with the demolition of McGaw Hall.

The School of Music building is targeted for completion in spring 2018 and will include:

- The 505-seat William E. and Mary Pat Gannon Hay Concert Hall for public performances;
- A 140-seat recital hall (3-stories tall);
- A small (81-seat) recital hall;
- The 76-seat Philip Corboy and Mary Dempsey Jazz Hall; and
- An underground parking garage.

The total development cost of the School of Music building is estimated at \$101.5 million.

Additional  
Projects Under  
Development:

In addition to the School of Music building, the University is also considering whether to move forward with Phase 3 and Phase 4 renovations of the John T. Richardson Library located at 2350 N. Kenmore Ave. (Lincoln Park campus). The Library originally opened in 1992. The Phase 3 renovations would renovate approximately 30,000 SF of space on the 2<sup>nd</sup> floor. The Phase 4 (i.e., final phase) of the Library renovations would rehabilitate approximately 35,000 SF of space located on the 3<sup>rd</sup> and 4<sup>th</sup> floors of the Library. Although not currently approved by the University's Board of Trustees, Phase 3 and 4 renovations support DePaul's objectives specified in its Vision 2018 strategic plan. The total cost of these Library renovations is estimated at approximately \$7.8 million.

Finally, a portion of the IFA Series 2016 Bonds will be used for the renovation of existing floors in the Daley Building on the Loop Campus located at 14 E. Jackson Blvd. in order to expand the College of Computing and Digital Media and to refurbish the space for the Masters of Health Program. Additionally, elevators in two DePaul Loop Campus buildings located at 25 E. Jackson Blvd. and 14 E. Jackson Blvd. will be modernized. Improvements will also be made to the HVAC system at the DePaul Center located at 1 E. Jackson Blvd. The total cost of these Loop Campus renovations is estimated at \$3.5 million.

Impact of Music  
Building on the  
Community:

The new 505-seat William E. and Mary Pat Gannon Hay Concert Hall will be the central public performance theater and will accommodate the School of Music's full range of musical ensembles.

The 140-seat recital hall will be three stories high in order to deliver professional quality acoustics. A smaller recital hall will seat 81 people while the 76-seat Philip Corboy and Mary Dempsey Jazz Hall will provide intimate seating with jazz club ambiance.

According to Ms. Judy Buntra, interim dean of the School of Music, the new building will better serve the entire DePaul student body as well as over 750 children and adults who participate in the Community Music Division.

The new School of Music and the Theatre School's productions will be open to the community and enrich the proud history of arts in the Lincoln Park community.

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

The Bonds will be issued in an amount not-to-exceed \$85 million in one or more series for the purpose of providing DePaul University, an Illinois not-for-profit corporation (the "University"), with all or a portion of the funds necessary to (i) finance, refinance or reimburse the University for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, furnishing and equipping of certain new facilities constituting "educational facilities," as defined in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "Act"), including, without limitation, (a) the planning, design, acquisition, construction, furnishing and equipping of a new school of music building, and related infrastructure, landscaping, signage and other similar improvements and (b) the renovating, remodeling and equipping of various educational facilities owned by the University, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto (collectively, the "Project"), (ii) pay certain working capital expenditures if deemed desirable by the University and (iii) pay certain costs relating to the issuance of the Bonds if deemed desirable by the University, all as permitted under the Act.

The Project is or will be owned by the University and is or will be located on land currently owned by the University. Proceeds may be expended with respect to any individual building located on the University's Lincoln Park main campus and the University's Loop Campus. The Lincoln Park Campus includes, but is not limited to, the new music building located at 2330 North Halsted Street, Chicago, Illinois 60614 and the Richardson Library located at 2350 North Kenmore Avenue, Chicago, Illinois 60614. The Loop Campus includes, but is not limited to, the following addresses in Chicago, Illinois: the DePaul Center having the address commonly known as 1 East Jackson Boulevard, Chicago, Illinois 60604, the Richard M. and Maggie C. Daley Building having the address commonly known as 14 East Jackson Boulevard,

Chicago, Illinois 60604 and the Lewis Center having the address commonly known as 25 East Jackson Boulevard, Chicago, Illinois 60604, all within Chicago, Illinois.

*As reported in the TEFRA Hearing Notices published in connection with this financing, the University presently anticipates not using more than \$85 million of Bond Proceeds to finance improvements at its Lincoln Park Campus and not more than \$10 million of Bond Proceeds to finance improvements at its Loop Campus. The combined estimated development cost of these projects totals approximately \$112.9 million.*

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### ECONOMIC DISCLOSURE STATEMENT

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

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### PROFESSIONAL AND FINANCIAL

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

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### LEGISLATIVE DISTRICTS

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



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**DePaul University Board of Trustees**

(\* Members of the Executive Committee of the Board of Trustees)

<b><u>Name</u></b>	<b><u>Affiliation</u></b>
Joseph Adams	CEO and Managing Partner, McGladrey & Pullen
Rev. Thomas Anslow, C.M.	Canonical Vicar, Archdiocese of Los Angeles
Peter C. Argianas*	Chairman, President and CEO, Gold Coast Bank
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Sasha L. Gerritson	Director of Opera Programs, Northeastern Illinois University
Arnold T. Grisham	President and CEO, Peer Review Solutions
Harry J. Harczak	Private Investor, Sawdust Investment Management, Retired EVP, CDW
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Kerrie Holley	VP & CTO, Analytics for Automation Platform, Cisco Systems
Rev. Dennis H. Holtschneider, C.M.*	President, DePaul University
Stacy Janiak*	Audit and Enterprise Risk Services National Managing Partner – Central Region, Deloitte
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Timothy Knight	CEO, Wrapparts LLC
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William Kusack	Retired Managing Director, JP Morgan Capital Corporation
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Carla Michelotti*	Executive VP/General Counsel, Leo Burnett Company, Inc.
Anne R. Pramaggiore	President and CEO, ComEd
Rev. Mark Pranaitis, C.M.	Assistant Provincial, Congregation of the Mission, Western Province
Larry R. Rogers*	Partner, Powers Rogers & Smith, P.C.
George Ruff	Senior Principal, Trinity Hotel Investors, LLC
James Ryan*	President, CEO and Chairman of the Board, W.W. Grainger, Inc.
Kristi Savacool	CEO, Aon Hewitt
Bertram L. Scott*	Retired Senior Vice President of Population Health, Novant Health
Daniel C. Ustian	Retired Chairman and CEO, Navistar
Rev. Raymond Van Dorpe, C.M.	Provincial, Western Province of the Congregation of the Mission
Dia S. Weil	Retired CFO and COO, Verizon Airfone

March 10, 2016

**\$135,000,000**

**Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)**

REQUEST	<p><b>Purpose:</b> Bond proceeds, together with other available funds, will be used by Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group) (“Borrowers”) to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																											
BOARD ACTIONS	Final Bond Resolution Voting Record (February 11, 2016) – Preliminary Bond Resolution – 12 Yeas; 0 Nays; 0 Abstain; 3 Absent (O’Brien; Tessler; Yonover); 0 Vacancies.																											
MATERIAL CHANGES	None.																											
JOB DATA	Current jobs    795		New jobs projected    0																									
	Retained jobs    N/A		Construction jobs projected    50																									
DESCRIPTION	<ul style="list-style-type: none"><li>• Locations: Evanston, Lake Forest</li><li>• On December 1, 2015 Presbyterian Homes, a newly formed Illinois not-for-profit corporation formerly named PH Transition NFP (the “Corporation”) became the sole member directly or indirectly of six subsidiaries, two of which are the Borrowers, (collectively with the Corporation, the "System"), which together provide residential and health care programs for older adults in Illinois. The System is headquartered in Evanston, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its five facilities and various programs in the Chicago Metropolitan Area.</li><li>• Presbyterian Homes traces its history back to 1904 when the Chicago Presbytery created a senior living community—one of the oldest in Illinois. The System has expanded significantly since 1922 to the present day.</li></ul>																											
CREDIT INDICATORS	<ul style="list-style-type: none"><li>• The Bonds will be comprised of two series of bonds: 2016A Fixed Rate Bonds sold through a public offering, and 2016B Floating Rate Notes sold through a public offering. The Borrower has applied for a rating from Standard &amp; Poor’s (“S&amp;P”) for the 2016 Floating Rate Notes and to Fitch Ratings for ratings on both series. Ratings are expected to be awarded at the time of printing the Preliminary Official Statement. The bonds will carry an investment grade rating.</li></ul>																											
SECURITY	<ul style="list-style-type: none"><li>• Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings.</li></ul>																											
MATURITY	<ul style="list-style-type: none"><li>• Bonds will mature no later than 2040.</li></ul>																											
SOURCES AND USES	<table><tr><td colspan="2"><b>Sources:</b></td><td colspan="2"><b>Uses:</b></td></tr><tr><td>Series 2016A Bonds</td><td>\$66,675,000</td><td>Refunding</td><td>\$104,415,000</td></tr><tr><td>Series 2016 A Premium</td><td>\$8,915,058</td><td>Project Fund</td><td>\$9,325,000</td></tr><tr><td>Series 2016B Bonds</td><td><u>\$40,000,000</u></td><td>Costs of Issuance*</td><td><u>\$1,850,058</u></td></tr><tr><td><b>Total</b></td><td><b><u>\$115,590,058</u></b></td><td><b>Total</b></td><td><b><u>\$115,590,058</u></b></td></tr><tr><td colspan="2"></td><td colspan="2">*Estimated</td></tr></table>				<b>Sources:</b>		<b>Uses:</b>		Series 2016A Bonds	\$66,675,000	Refunding	\$104,415,000	Series 2016 A Premium	\$8,915,058	Project Fund	\$9,325,000	Series 2016B Bonds	<u>\$40,000,000</u>	Costs of Issuance*	<u>\$1,850,058</u>	<b>Total</b>	<b><u>\$115,590,058</u></b>	<b>Total</b>	<b><u>\$115,590,058</u></b>			*Estimated	
<b>Sources:</b>		<b>Uses:</b>																										
Series 2016A Bonds	\$66,675,000	Refunding	\$104,415,000																									
Series 2016 A Premium	\$8,915,058	Project Fund	\$9,325,000																									
Series 2016B Bonds	<u>\$40,000,000</u>	Costs of Issuance*	<u>\$1,850,058</u>																									
<b>Total</b>	<b><u>\$115,590,058</u></b>	<b>Total</b>	<b><u>\$115,590,058</u></b>																									
		*Estimated																										
RECOMMENDATION	Credit Review Committee recommends approval																											

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
March 10, 2016**

**Project: Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)**

**STATISTICS**

Project Number:	12324	Amount:	\$135,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Locations:	Evanston, Lake Forest	County/Region:	Cook County/Northeast, Lake County/Northeast

**BOARD ACTION**

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

**PURPOSE**

The proceeds will be used by the Borrowers together with other available funds to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
Series 2016A Bonds	\$66,675,000	Refunding	\$104,415,000
Series 2016 A Premium	\$8,915,058	Project Fund	\$9,325,000
Series 2016B Bonds	<u>\$40,000,000</u>	Costs of Issuance*	<u>\$1,850,058</u>
<b>Total</b>	<b><u>\$115,590,058</u></b>	<b>Total</b>	<b><u>\$115,590,058</u></b>
		*Estimated	

**JOBS**

Current employment:	795	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	50

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### FINANCING SUMMARY

Credit Enhancement:	None
Structure:	Fixed rate serial and term bonds and a Floating Rate note, both tax exempt and sold through a public offering by Ziegler based on underlying rating of the Borrower.
Interest Rate:	To be determined on the day of pricing.
Interest Rate Modes:	Fixed through final maturities for Series 2016A Bonds, and a Floating Rate plus a credit spread for Series 2016B Bonds.
Underlying Ratings:	The Borrower has applied for a rating from Standard & Poor's ("S&P") for the 2016 Floating Rate Notes and to Fitch Ratings for ratings on both Series. Ratings are expected to be awarded at the time of printing the Preliminary Official Statement. The Bonds will carry an investment grade rating.
Maturity:	No later than 2040
Estimated Closing Date:	Second calendar quarter of 2016. (Note: There is no assurance that any or all of the Prior Bonds will be refunded, or if they are refunded, when such refunding will occur.)

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### PROJECT SUMMARY

The proceeds will be used by Presbyterian Homes Obligated Group, together with over available funds to (i) refund Series 1996A, 2001, 2006, and 2007 Variable Rate Demand Bonds, (ii) fund Town Center renovations at the Lake Forest Place campus and other routine capital projects for Westminster Place and Lake Forest Place, and (iii) pay costs of issuance.

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### BUSINESS SUMMARY

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

The Obligated Group locations are listed below.

#### Main Evanston Campus

- Westminster Place offers 254 units of independent living in large and small townhouses, cottages, or apartments featuring full kitchens and for some units, private patios. It also offers numerous amenities, including activities, parking spaces and garages, private buses to local shopping, walking paths throughout the grounds, flexible meal plans as a dining option, and on-site medical services.
- The Highlands at Westminster Place is an apartment facility designed for older independent adults who require limited daily living assistance. The facility is composed of 91 efficiencies and one- or two-bedroom apartments. The Highlands offers a combination of independent living and sheltered care units. Meals are served in central dining rooms and medical services are provided.
- McGaw Care Center and Foster Pavilion include a 100-bed skilled nursing care, Medicare-approved facility, and a 95-bed unit for older adults with Alzheimer's disease or other cognitive impairments. A number of beds are always kept open and available for the potential needs of the Westminster's own residents. Beds in excess of these requirements are made available to non-residents.
- Kimble Fitness and Therapeutic Center: This facility opened in 1995 and is available to all residents on the main campus in Evanston, as well as the residents at King Home and Ten Twenty Grove. Approximately 50 to 55 residents use this facility on an average day. The Center offers numerous amenities including a large pool

and small therapy pool, a Jacuzzi, an exercise room with fitness equipment, water therapy classes, and other activities. The building also has meeting and entertainment facilities.

### **Lake Forest Place**

Lake Forest Place is a CCRC located in Lake Forest, Illinois, approximately 30 miles north of Chicago on a 58-acre site immediately adjacent to Lake Forest Hospital. Lake Forest Place includes 268 independent living units (including both cottages and apartments), 31 assisted living units and 50 Medicare licensed skilled nursing beds and 20 licensed intermediate care beds for older adults with Alzheimer's disease or other cognitive impairments. Amenities include a town center, on-site medical care, a fitness center, security, walking trails and underground parking.

### **King Home**

The King Home is located in downtown Evanston. This six-story 53-unit apartment facility is designed for men and women 65 years and older. It consists of one-bedroom suites with a private bath and emergency alarm systems. The facility also contains activity and fitness areas. Meals are served in the central dining room. Complete medical care and 24-hour nursing services are provided.

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## **ECONOMIC DISCLOSURE STATEMENT**

Applicant: Westminster Place and Lake Forest Place, LLC  
Site Address: 3200 Grant Street, Evanston, IL 60201 (Westminster Place)  
1100 Pembridge Dr, Lake Forest, IL 60045 (Lake Forest Place)  
  
Contact: Todd Swortzel, President & CEO  
  
Website: [www.presbyterianhomes.org](http://www.presbyterianhomes.org)  
  
Project name: Westminster Place and Lake Forest Place, LLC (Presbyterian Homes Obligated Group)  
  
Organization: 501(c)(3) Not-for-Profit Corporation  
  
State: Illinois

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

<u>Name</u>	<u>Position</u>	<u>Year Joined</u>	<u>Profession</u>
Leland E. Hutchinson (Lee)	Board Chair	1999	Retired Attorney ; Partner, Winston & Strawn
J. Marshall Peck (Marshall)	Board Treasurer	2008	Real Estate Development; CEO, Interpark
Neele E. Stearns, Jr.	Board Secretary	2004	Real Estate Finance; Partner, LaSalle Investment Management
Rev. Sarah Sarchet Butter	Member	2007	Pastor; Head of Staff, Wilmette Presbyterian Church
Charles Denison (Charlie)	Member	2014	Managing Director for Investment Banking
George T. Drost	Member	2011	Attorney; Partner, Drost Kivlahan McMahon & O'Connor LLC
Monica Heenan	Member	2015	SVP & Chief Ambulatory Officer, Lurie Children's Hospital in Chicago
Gregory W. Hummel (Greg)	Member	2008	Attorney; Partner, Bryan Cave LLP
Dennis R. Marx	Member	2014	Tax and Investment Strategist
Dr. E. Dennis Murphy (Dennis)	Member	2010	Retired Physician
Elizabeth Nichols (Betsy)	Member	2014	Chief Data Scientist
Paula Noble	Member	2015	CFO and Treasurer, Lurie Children's Hospital of Chicago
Harlan F. Stanley	Member	2010	Real Estate Finance; Partner, LaSalle Investment Management
Mark F. Toledo	Member	2009	Investment Manager at Chicago Partners
Jane Western	Member	2014	Risk Management

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Dentons US LLP	Mary Wilson	Chicago, IL
Auditor:	CliftonLarsonAllen LLP	Jim Thomas	Oak Brook, IL
Underwriter:	Ziegler	Steve Johnson	Chicago, IL
Bond Counsel:	Chapman and Cutler LLP	John F. Bibby	Chicago, IL
Underwriter's Counsel:	Gilmore & Bell, P.C.	Rick Wright	Kansas City, MO
Bond Trustee:	TBD		
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Steve Welcome	Chicago, IL
Issuer's Advisor:	Acacia Financial Group, Inc.	Phoebe Selden	Chicago, IL

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**LEGISLATIVE DISTRICTS**

Congressional:	9, 10
State Senate:	9, 29
State House:	17, 58

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**SERVICE AREA**

Evanston, Illinois and Lake Forest, Illinois:

March 10, 2016

**\$53,000,000**
**Iowa Health System d/b/a UnityPoint Health**

REQUEST	<p><b>Purpose:</b> Bond proceeds will be used by Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”) to (i) refund the Proctor Hospital 2006A Bonds, (ii) \$17,000,000 for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. located at 221 NE Glen Oak Ave, Peoria, IL, to purchase, renovate, relocate, construct, equip and furnish approximately 81,000 square-feet of building space, which will include classrooms, laboratories, faculty offices, and support space for the College of Nursing, along with an additional 45,000 square-feet for warehouse space, all located at 5801 West War Memorial Drive, Peoria, IL., (iii) \$11,500,000 for the exterior renovation of the Glen Oak and East-West buildings, located at 221 NE Glen Oak Ave, Peoria, IL, and (iv) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																							
BOARD ACTIONS	Preliminary Bond Resolution																							
MATERIAL CHANGES	None – this is the first time this financing has been presented to the IFA Board of Directors																							
JOB DATA	28,000	Current jobs	0	New jobs projected																				
	N/A	Retained jobs	365	Construction jobs projected																				
DESCRIPTION	<ul style="list-style-type: none"><li>Location: Peoria</li><li>Initially formed in 1994, UnityPoint Health, an Iowa nonprofit corporation, controls, directly or indirectly, a regional health care delivery system that includes, as of June 30, 2015, twelve Hospitals (including Blank Children’s Hospital) in ten Iowa cities, four hospitals in three Illinois cities, one hospital in Madison, Wisconsin, and approximately 860 employed physician full time equivalents and 420 mid-level provider full time equivalents practicing in 96 communities.</li></ul>																							
STRUCTURE/CREDIT INDICATORS	<ul style="list-style-type: none"><li>Tax-Exempt fixed rate bonds underwritten by Morgan Stanley.</li><li>Current underlying ratings of Moody’s (Aa3), Fitch (AA-)</li></ul>																							
SECURITY	<ul style="list-style-type: none"><li>Secured by pledge of gross receivables</li></ul>																							
MATURITY	<ul style="list-style-type: none"><li>Bonds will mature no later than 2046</li></ul>																							
SOURCES AND USES	<table><tr><td colspan="2"><b>Sources:</b></td><td colspan="2"><b>Uses:</b></td></tr><tr><td>IFA Bonds</td><td><u>\$51,590,000</u></td><td>Refunding</td><td>\$21,990,000</td></tr><tr><td></td><td></td><td>Project Fund</td><td>\$28,500,000</td></tr><tr><td></td><td></td><td>Costs of Issuance*</td><td><u>\$1,100,000</u></td></tr><tr><td><b>Total</b></td><td><b><u>\$51,590,000</u></b></td><td><b>Total</b></td><td><b><u>\$51,590,000</u></b></td></tr></table> <p>*Estimated</p>				<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$51,590,000</u>	Refunding	\$21,990,000			Project Fund	\$28,500,000			Costs of Issuance*	<u>\$1,100,000</u>	<b>Total</b>	<b><u>\$51,590,000</u></b>	<b>Total</b>	<b><u>\$51,590,000</u></b>
<b>Sources:</b>		<b>Uses:</b>																						
IFA Bonds	<u>\$51,590,000</u>	Refunding	\$21,990,000																					
		Project Fund	\$28,500,000																					
		Costs of Issuance*	<u>\$1,100,000</u>																					
<b>Total</b>	<b><u>\$51,590,000</u></b>	<b>Total</b>	<b><u>\$51,590,000</u></b>																					
RECOMMENDATION	Credit Review Committee recommends approval.																							

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
March 10, 2016**

**Project: Iowa Health System d/b/a UnityPoint Health**

**STATISTICS**

Project Number:	12333	Amount:	\$53,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Location:	Peoria	County/Region:	Peoria/Southeast

**BOARD ACTION**

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

**PURPOSE**

Bond proceeds will be used by Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”) to (i) refund the Proctor Hospital 2006A Bonds, (ii) \$17,000,000 for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. located at 221 NE Glen Oak Ave, Peoria, IL, to purchase, renovate, relocate, construct, equip and furnish approximately 81,000 square-feet of building space, which will include classrooms, laboratories, faculty offices, and support space for the College of Nursing, along with an additional 45,000 square-feet for warehouse space, all located at 5801 West War Memorial Drive, Peoria, IL., (iii) \$11,500,000 for the exterior renovation of the Glen Oak and East-West buildings, located at 221 NE Glen Oak Ave, Peoria, IL, and (iv) pay costs of issuance.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$51,590,000</u>	Refunding	\$21,990,000
		Project Fund	\$28,500,000
		Costs of Issuance*	<u>\$1,100,000</u>
<b>Total</b>	<b><u>\$51,590,000</u></b>	<b>Total</b>	<b><u>\$51,590,000</u></b>

\*Estimated – Preliminary,  
subject to change

**JOBS**

Current employment:	28,000	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	365



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### FINANCING SUMMARY

Credit Enhancement:	None
Structure:	Fixed Rate Bonds to be underwritten by Morgan Stanley.
Interest Rate:	To be determined at time of pricing.
Interest Rate Modes:	Fixed
Underlying Ratings:	Moody's (Aa3), Fitch (AA-)
Maturity:	2046
Estimated Closing Date:	5/16/16

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### PROJECT SUMMARY

The proceeds will be used by UnityPoint Health to refund the Proctor Hospital 2006A Bonds, New Money and costs of issuance.

- Refund Proctor 2006A Bonds: 5409 N Knoxville Avenue, Peoria, IL 61614
  - New Money (\$17,000,000), College of Nursing: 5801 West War Memorial Drive, Peoria, IL 61615
    - This project is for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. (users of the project and Affiliates), located at 221 NE Glen Oak Ave, Peoria, IL and will consist of the purchase, renovation, relocate, construction, equipping and furnishing of approximately 81,000 square-feet of building space which will include classrooms, laboratories, faculty offices, and support space along with an additional 45,000 square-feet for warehouse space located at 5801 West War Memorial Drive, Peoria, IL.
  - New Money (\$11,500,000), Façade Renovation: 221 NE Glen Oak Avenue, Peoria, IL 61636
    - This project is for the benefit of Methodist Medical Center of IL and Methodist Health Services Corp. (users of the project and Affiliates), located at 221 NE Glen Oak Ave, Peoria, IL and will consist of the exterior renovation of the Glen Oak and East-West buildings on campus.
- 

### BUSINESS SUMMARY

#### Background:

Initially formed in 1994, Iowa Health System (“IHS”), an Iowa nonprofit corporation, controls, directly or indirectly, a regional health care delivery system that includes, as of June 30, 2015, twelve hospitals (including Blank Children’s Hospital) in ten Iowa cities, four hospitals in three Illinois cities, one hospital in Madison, Wisconsin, and approximately 860 employed physician full time equivalents and 420 mid-level provider full time equivalents practicing in 96 communities (collectively, the “System”).

On April 16, 2013, the System began being publicly known as UnityPoint Health. This name change reflects the transformation of clinical processes underway within the System and the adaptation to better address the health care needs of communities, including building a model of delivering health care that coordinates care around the patient while focusing on improving the quality of care and reducing costs. In light of this transformation in health care, IHS changed its name to better reflect its brand promise. UnityPoint Health, a federally registered trademark, is a doing business as designation of IHS and is intended to be its predominant name.

The System entities employ around 28,000 employees System-wide, including being the largest nonprofit workforce in the combined State of Iowa and Western Illinois area, and work toward innovative advancements to achieve the vision of delivering the Best Outcome for Every Patient Every Time. The System also provides a multitude of community benefit programs and services to improve the health of people in its communities.

The primary operations of the System are conducted through an array of nonprofit and for-profit subsidiaries controlled, directly or indirectly, by UnityPoint Health. The affiliates include Central Iowa Health System d/b/a UnityPoint Health – Des Moines, Methodist Health Services Corporation, Meriter Health Services, Inc., Trinity Regional Health System, St. Luke’s Healthcare, Allen Health Systems, Inc., St. Luke’s Health System, Inc., Trinity

Health Systems, Inc., Finley Tri-States Health Group, Inc., Iowa Physicians Clinic Medical Foundation d/b/a UnityPoint Clinic, and UnityPoint at Home (formerly known as InTrust and formerly d/b/a Iowa Health Home Care).

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### ECONOMIC DISCLOSURE STATEMENT

Applicant: Iowa Health System d/b/a UnityPoint Health  
Address: 221 NE Glen Oak Avenue, Peoria, IL 61636  
Contact: Matthew Kirschner, 515-241-8272  
Website: www.unitypoint.org

Project name: Refunding of 2006A bonds and new money projects

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

State: Iowa, Illinois, Wisconsin

Board of Directors:

Chair: Mike Williams	Secretary: Linda Newborn
Chair Elect/Vice Chair: Mike Stone	Treasurer: Rick McConnell
Angela Aldrich, M.D. <i>Sioux City</i>	Ron Klosterman <i>Dubuque (At-Large)</i>
Dave Boyer <i>Madison</i>	Rick McConnell <i>Des Moines</i>
Terri Christoffersen <i>Cedar Rapids</i>	Pete McLaughlin <i>Quad Cities</i>
Brenda Clancy <i>Cedar Rapids (At-Large)</i>	Linda Newborn <i>Quad Cities</i>
Stanton Danielson, M.D. <i>Des Moines (UP Clinic)</i>	Kurt Pittner <i>Fort Dodge</i>
Randy Easton <i>Cedar Rapids</i>	Cate Ranheim, M.D. <i>Madison (At-Large)</i>
Sarah Hasken <i>Dubuque</i>	Bruce Sherman <i>Des Moines</i>
Kent Henning <i>Des Moines</i>	Mike Stone <i>Peoria</i>
Steve Herwig, D.O. <i>Des Moines</i>	Devendra Trivedi, M.D. <i>Peoria</i>
George Kamperschroer <i>Madison</i>	Mike Williams <i>Waterloo</i>
Francis Kane, M.D. <i>Quad Cities (At-Large)</i>	

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Norton Rose Fulbright US, LLP	Dallas, TX	Scott Kortmeyer
Auditor:	BKD, LLP	Chicago, IL	Eric Lopata
Underwriter:	Morgan Stanley	New York, NY	David Gallin
Bond Counsel:	Dorsey & Whitney LLP	Des Moines, IA	David Claypool
Underwriter's Counsel:	Orrick, Herrington & Sutcliffe LLP	Sacramento, CA	John Myers
Bond Trustee:	US Bank, National Association	St. Paul, MN	Christine Robinette
Issuer's Counsel:	Chapman and Cutler LLP	Chicago, IL	Rich Tomei
Issuer's Advisor:	Sycamore Advisors, LLC	Chicago, IL	Melanie Shaker

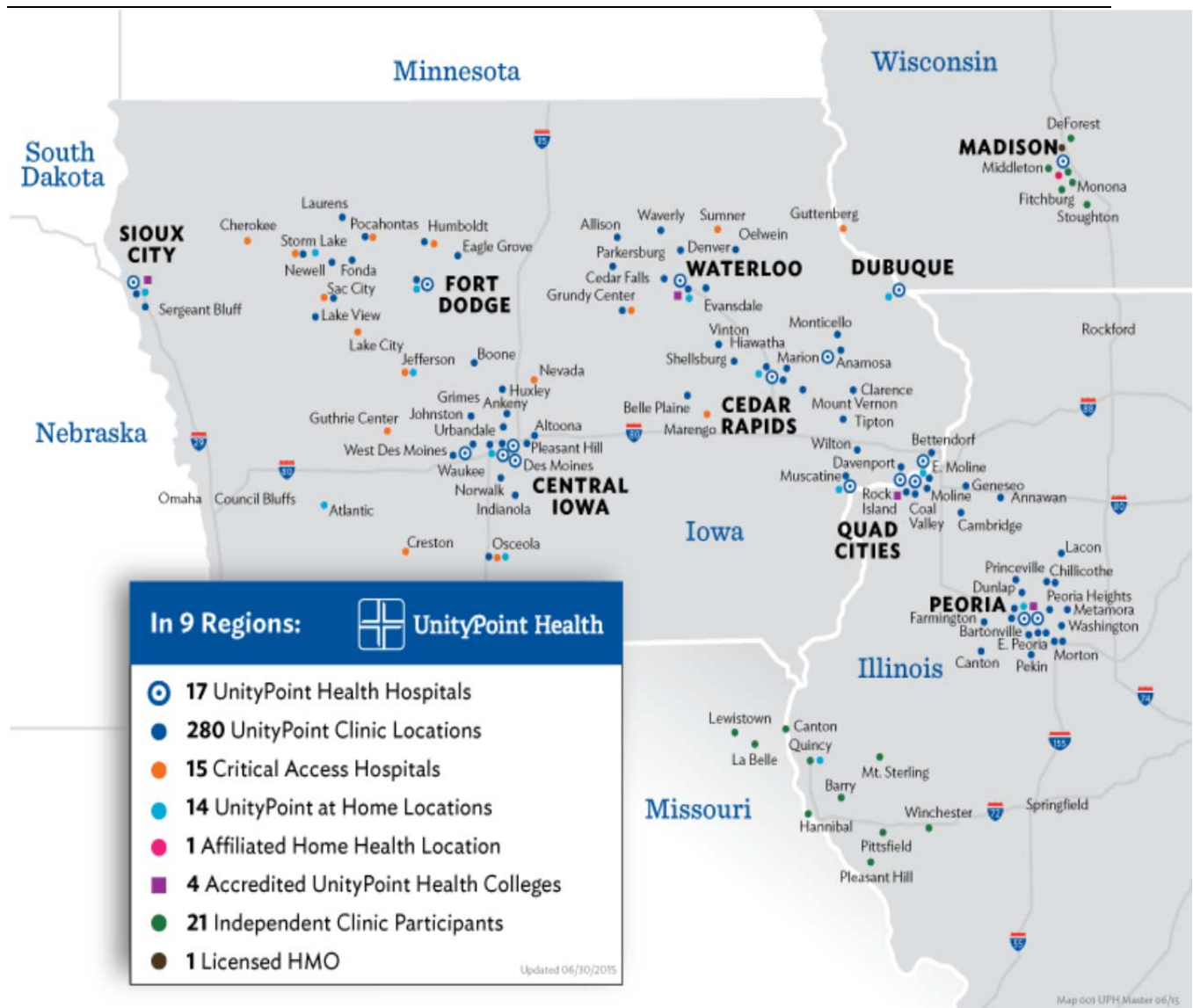
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**LEGISLATIVE DISTRICTS**

Congressional:	17, 18
State Senate:	37, 46
State House:	73, 92

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**SERVICE AREA**



March 10, 2016

**\$15,000,000 (not-to-exceed amount)**
**Community Unit School District No. 3, Saline County (Harrisburg)**

REQUEST	<b>Purpose:</b> Proceeds of the Series 2016 Bonds will be used to purchase taxable Local Government Securities issued by Community Unit School District Number 3, Saline County, Illinois (the “ <b>District</b> ”) to: (a) demolish, reconstruct, renovate, alter, repair and equip a portion of the Harrisburg High School Buildings and renovate, alter, repair and equip other portions of such buildings, and improve the sites thereof and (b) pay costs associated with the issuance of the Series 2016 Bonds (collectively, the “ <b>Financing Purposes</b> ”).			
	<b>Program Product Type:</b> Local Government Revenue Bonds <b>IFA/State Funds at Risk:</b> None			
BOARD ACTIONS	Final Bond Resolution Voting Record (July 9, 2015) – Final Bond Resolution – 11 Yeas; 0 Nays; 0 Abstain; 2 Absent (Pedersen, Tessler); 2 Vacancies.			
MATERIAL CHANGES	Co-Managers Edward D. Jones & Co., L.P. and BMO Capital Markets GKST Inc. have been replaced with RBC Capital Markets LLC (as the sole Co-Manager). Furthermore, the plan of finance now contemplates that IFA will solely issue Alternate Revenue Bonds while the District itself will undertake a general obligation, bank-qualified debt issuance to construct fire prevention and life safety improvements to existing school buildings throughout the District and realize savings by refunding the District’s outstanding Series 2005 Bonds. Accordingly, Sources & Uses as well as projected construction jobs proportional to the IFA issuance have been updated. Finally, the District’s 6/30/2015 audit has been released and the Confidential Section of this report has been updated to reflect updated financial and tax collection information.			
JOB DATA	270 FTE	Current jobs	N/A	New jobs projected
	N/A	Retained jobs	31	Construction jobs (3-year construction period)
BORROWER DESCRIPTION	<ul style="list-style-type: none"><li>• Type of Entity: Illinois Public School District providing education for students in grades pre-K through 12</li><li>• Location: Harrisburg, Illinois (and nearby areas primarily in Saline County)</li><li>• Project Impact: The project will enable Community Unit School District Number 3 (Harrisburg) to modernize and update one of the three wings that comprise the main Harrisburg High School facility. The wing will be demolished in its entirety and replaced by construction of a new wing that is expected to commence in Summer 2016. The replacement wing will include a new cafeteria and gymnasium. A portion of the Project Costs will also finance replacement fixtures and equipment as well.</li><li>• The District’s voters approved a referendum to issue up to \$15.0 million of General Obligation Bonds to modernize and update Harrisburg High School in April 2015. In March 2012, District voters approved a referendum imposing a 1% Facility Sales Tax specifically for school capital projects.</li></ul>			
STRUCTURE	<ul style="list-style-type: none"><li>• Underwriters: Senior Manager: D.A. Davidson &amp; Company; Co-Manager: RBC Capital Markets LLC</li><li>• The Bonds will be sold on the basis of an assigned rating by Standard &amp; Poor’s Ratings Group (“<b>S&amp;P</b>”). S&amp;P is expected to assign the Bonds a rating of “AA”/Stable based on a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. (“<b>AGM</b>”) at the time of delivery of the Bonds, as well as the District’s underlying rating.</li><li>• Underlying Rating: Community Unit School District Number 3 (Harrisburg) is rated “A-”/Stable by S&amp;P, affirmed as of September 22, 2015.</li><li>• Series 2016 Bonds will be payable from the District’s Facility Sales Taxes (i.e., Alternate Revenue Source) and will be further secured by an unlimited pledge of property tax revenues.</li><li>• Maturity: Series 2016 Bonds will be a mix of serial maturities and term bonds, ranging from December 1, 2016 through December 1, 2045.</li><li>• Interest Rate: Fixed Rates on Serial Bonds to be determined at pricing.</li></ul>			
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)	<b>Sources:</b>  Series 2016 Bonds    <b>Total</b>		<b>Uses:</b>  Project Costs Bond Insurance Costs of Issuance  <b>Total</b>	
		\$15,000,000		\$14,690,000 60,000 250,000 \$15,000,000
RECOMMENDATION	Credit Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
March 10, 2016**

**Project: Community Unit School District No. 3, Saline County (Harrisburg)**

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**STATISTICS**

Project Number:	L-LG-TE-CD-8755	Amount:	\$15,000,000 ( <i>not-to-exceed amount</i> )
Type:	Local Government Revenue Bonds	IFA Staff:	Rich Frampton & Brad R. Fletcher
Location:	Harrisburg	Counties/Regions:	Saline County/Southern Region

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**BOARD ACTION**

Final Bond Resolution	No IFA Funds at risk
Conduit Local Government Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

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**VOTING RECORD**

Voting Record (July 9, 2015) – Final Bond Resolution – 11 Yeas; 0 Nays; 0 Abstain; 2 Absent (Pedersen, Tessler); 2 Vacancies.

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**PURPOSE**

Proceeds of the Series 2016 Bonds will be used to purchase taxable Local Government Securities issued by Community Unit School District Number 3, Saline County, Illinois (the “**District**”) to: (a) demolish, reconstruct, renovate, alter, repair and equip a portion of the Harrisburg High School Buildings and renovate, alter, repair and equip other portions of such buildings, and improve the sites thereof and (b) pay costs associated with the issuance of the Series 2016 Bonds (collectively, the “**Financing Purposes**”).

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**VOLUME CAP**

No Volume Cap is required for Local Government Bond financing.

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**JOBS**

Current employment:	270 FTE	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	31 (3-year construction period)

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

<b>Sources:</b>		<b>Uses:</b>	
Series 2016 Bonds	<u>\$15,000,000</u>	Project Costs	\$14,690,000
		Bond Insurance	60,000
		Costs of Issuance	<u>250,000</u>
<b>Total</b>	<u><b>\$15,000,000</b></u>	<b>Total</b>	<u><b>\$15,000,000</b></u>

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### FINANCING SUMMARY

Structure:	The plan of finance contemplates the IFA Series 2016 Bonds to be underwritten by D.A. Davidson & Co. as Senior Manager and RBC Capital Markets LLC as Co-Manager and publicly offered as fixed rate bonds.
Bonds	
Rating:	The Bonds will be sold on the basis of an assigned rating by Standard & Poor's Ratings Group ("S&P"). S&P is expected to assign the Bonds a rating of "AA"/Stable based on a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. ("AGM") at the time of delivery of the Bonds, as well as the District's underlying rating.
Bond Insurance	
Rating:	AGM is rated "AA"/Stable by Standard & Poor's Ratings Group and "A2"/Stable by Moody's.
Underlying	
Rating:	S&P has assigned the District a long-term rating of "A-"/Stable, affirmed as of September 22, 2015.
Maturity:	Series 2016 Bonds will be issued as a mix of (i) serial maturities due annually each December 1, beginning December 1, 2016 and continuing through December 1, 2026, and (ii) terms bonds due December 1, 2031, December 1, 2036 and December 1, 2045 (the final maturity date).
Repayment	
Schedule:	Interest on the Bonds (computed on a basis of a 360-day year of twelve 30-day months) will be payable each June 1 and December 1, commencing June 1, 2016 and extending through the final maturity date (December 1, 2045).
Security:	Concurrently with the issuance of the Bonds, AGM will issue its municipal bond insurance policy for the Bonds. The insurance policy guarantees the scheduled payment of principal and interest on the Bonds.

The Series 2016 Bonds will be payable from collections distributed to the District from those taxes imposed by the County of Saline, Illinois (the "**County**"), pursuant to the County School Facility Occupation Tax Law of the State of Illinois, as amended (the "**Pledged Revenues**").

The Illinois Department of Revenue is responsible for administering the County School Facility Occupation Tax. Pursuant to State law, the corporate authorities of a county, except Cook County, may impose the County School Facility Occupation Tax – or "*Facility Sales Tax*" – if a majority of voters approve by referendum to increase their county sales tax rate up to 1 percent to raise money specifically for school capital projects. The law creating Facility Sales Tax first became effective in October 2007.

For the purpose of providing funds required to pay debt service on the Series 2016 Bonds, the District is pledging its Facility Sales Taxes as Pledged Revenues. These Pledged Revenues must be sufficient to not only pay debt service on the Series 2016 Bonds, but also be sufficient to provide for an additional 0.25 times debt service coverage each year pursuant to State law (i.e., the Local Government Debt Reform Act of the State of Illinois, as amended, requires that Pledged Revenues securing Alternate Revenue Source bonds provide in each year an amount not less than 1.25 times debt service coverage on all outstanding bonds secured by those respective Pledged Revenues).

*For a more comprehensive summary of the legal requirements for issuing "Alternate Bonds", please see "Supplemental Information Relating to the Proposed Issuance of 'Alternate Bonds' by Community Unit School District No. 3 (Harrisburg)" on page 10 of this report.*

Additionally, the Series 2016 Bonds will be payable from *ad valorem* (i.e., according to value) real estate taxes levied against all of the taxable property in the District without limitation as to rate or

amount (the “**Pledged Taxes**,” and together with the Pledged Revenues, the “**Pledged Moneys**”). Should the amount of the Facility Sales Taxes received by the District be insufficient to pay the principal and interest due on the Series 2016 Bonds in any year, the District will extend Pledged Taxes for the purpose of making such payment on the Series 2016 Bonds.

Legal Authority: **Pledged Revenues**

On March 20, 2012, a majority of the voters of Saline County at the general primary election approved imposing a 1% Facility Sales Tax to raise money specifically for school capital projects (i.e., Pledged Revenues). Accordingly, the Illinois Department of Revenue began to administer and enforce the Facility Sales Tax on July 1, 2012. School districts in the County began receiving Facility Sales Tax receipts beginning in October 2012.

Voters of the District authorized of the issuance of bonds in an aggregate principal amount of up to \$15,000,000 at the consolidated election held on April 7, 2015, with 1,500 voting “yes” (57.47%) and 1,110 voting “no” (42.53%).

**Pledged Taxes**

The District will adopt a bond resolution which provides for the levy of Pledged Taxes in amounts sufficient to pay the interest and principal of the Series 2016 Bonds as needed (currently expected on March 15, 2016). The bonds will constitute valid and legally binding obligations of the District, and all taxable property in the District is subject to the levy of Pledged Taxes for such payment of principal and interest.

The District’s bond resolution will be filed with the County Clerk of Saline County and will serve as authorization to the County Clerk to extend and collect real estate taxes (i.e., Pledged Taxes) as set forth in the District’s bond resolution.

Estimated  
Closing Date: March 2016

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

Proceeds of the Series 2016 Bonds will be used to purchase Local Government Securities issued by Community Unit School District Number 3, Saline County, Illinois (the “**District**”) to: (a) demolish, reconstruct, renovate, alter, repair and equip a portion of the Harrisburg High School Buildings and renovate, alter, repair and equip other portions of such buildings, and improve the sites thereof and (b) pay costs associated with the issuance of the Series 2016 Bonds (collectively, the “**Financing Purposes**”).

Estimated Project costs financed with the Illinois Finance Authority’s Alternate Revenue Bonds include the following:

Demolition	\$270,000
Architectural/Engineering	773,220
Construction/Rehabilitation	13,141,565
Fixtures/Equipment	<u>505,215</u>
Total:	\$14,690,000

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**BUSINESS SUMMARY**

Description: **Community Unit School District Number 3, Saline County (Harrisburg) Illinois** (the “**District**”) is located in southern Illinois, approximately 140 miles southeast of St. Louis, Missouri and 55 miles southeast of Mt. Vernon, Illinois.

The District is governed by an elected seven-member Board (see p. 8 for listing of Board of Education). The day-to-day affairs of the District are conducted by a full-time staff, including but not limited to Superintendent Michael Gauch.



**Background:** Encompassing an estimated 133 square mile area, the District serves the City and the Village of Muddy, Illinois, as well as smaller unincorporated areas in Saline County. The District's tax base is primarily residential in nature (55.68%), complemented primarily by commercial (31.84%) and farm properties (11.88%). See p. 9 for a map of the District.

The transportation network serving the area includes U.S. Route 45 and Illinois Routes 13, 34, 142 and 145. Commercial air transportation is available through Lambert International Airport in St. Louis, Missouri, while private air transportation is available via Harrisburg-Raleigh Airport in rural Saline County.

Higher educational opportunities are available through Southeastern Illinois Community College in Saline County, Southern Illinois University in Carbondale, Southern Illinois University in Edwardsville, Evansville University and the University of Southern Indiana in Evansville, Indiana.

The District currently operates four facilities and at the start of the 2015-2016 school year served the educational needs of 2,062 students in grades K through 12. Of the District's four facilities, the District operates two elementary schools (West Side Primary that serves grade Pre-K through 2 and East Side Intermediate that serves grades 3 through 5). Harrisburg Middle School and Harrisburg High School constitute the remaining facilities.

At the start of the 2015-2016 school year, the District had approximately 259 full-time employees and 22 part-time employees. Of the total number of employees, approximately 139 are represented by a union (which includes 126 teachers). Employee-union relations are considered to be good. The current teachers' contract expires on June 30, 2016.

**Financial  
Condition:**

Many trends and economic factors could affect the future operations of the District and are taken into account by the District when budgeting and planning for the long term. Additionally, there are several major challenges facing the District, including declining revenues due primarily to the proration of General State Aid by the State. The District was certified to be in financial difficulty by the Illinois State Board of Education ("ISBE") on October 20, 2005. As a result of such certification, the District is required to operate pursuant to a financial plan approved by ISBE (the "**Financial Plan**"). The latest 3-year Financial Plan was approved in May 2015. Furthermore, the District is required to submit its annual budgets to ISBE for approval and to report to ISBE regarding the District's compliance with the Financial Plan. If the District fails to comply with the Financial Plan, ISBE may rescind approval of the Financial Plan and appoint a financial oversight panel.

**Outstanding  
Debt:**

The District's outstanding long-term debt obligations are comprised of its (i) Series 2005 Bonds, outstanding in the principal amount of \$3.235MM, (ii) Series 2009 Bonds, outstanding in the principal amount of \$1.37MM, (iii) Series 2011 Bonds, outstanding in the principal amount of \$5.055MM, and (iv) various capital leases.

Concurrent to the issuance of the IFA Series 2016 Alternate Revenue Bonds, the District will be undertaking its own debt issuance of approximately \$7.235MM to construct fire prevention and life safety improvements to the existing school buildings of the District (\$4.00MM) and refund the District's Series 2005 Bonds (\$3.235MM).

Issuance of the Series 2016 Bonds through the Illinois Finance Authority will be the District's first issuance of Alternate Revenue Source bonds.

## DISTRICT FACTS

**Table 1: C.U.S.D. Number 3, Saline County Enrollment Trends – Total Students\*:**

<u>Academic Year</u>	<u>Total Enrollment</u>
2011-2012	2,125
2012-2013	2,109
2013-2014	2,013
2014-2015	2,104
2015-2016	2,062

The District also forecasts stable enrollment of approximately 2,062 students for the next five years (i.e., 2016-2021)\*.

\*Source: Preliminary Offering Statement prepared by counsel.

**Table 2: The Ten Largest Taxpayers in the District:**

The companies listed below comprise the largest taxpayers in the District, which comprise approximately 8.32% of the District's \$126,812,612 Equalized Assessed Value ("EAV") posted in 2014, exclusive of tax increment finance and enterprise zone amounts.

<u>Taxpayer Name</u>	<u>2014 EAV</u>	<u>Percent of District's Total EAV</u>
Wal-Mart Real Estate Business	\$ 4,320,902	3.41%
WC-Harrisburg LLC	1,460,645	1.16%
Budget Builders Lumber Co.	960,338	0.76%
Harrisburg Shoppes LLC	658,949	0.52%
Southern Illinois Medical Services NFP	587,482	0.46%
Kroger Lmt'd. Partnership I	583,613	0.46%
US Realty 87 Harrisburg Assc.	547,766	0.43%
Stearns Investments 8 LLC	494,254	0.39%
DJA Harrisburg LLC	484,510	0.38%
Peoples National Bank	447,298	0.35%
<b>Total EAV of Ten Largest Taxpayers in District:</b>	<b>\$ 10,545,757</b>	<b>8.32%</b>

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**Table 3: The Largest Employers in and near the District:**

The following table reports the major employers within or near the District.

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
SIU - Carbondale	Higher education	Carbondale	6,100
Dept. of Veteran's Affairs Med. Ctr.	Veteran's Hospital	Marion	1,158
Memorial Hospital of Carbondale	Hospital	Carbondale	1,100
AISIN Mfg. Illinois LLC	Automotive Parts	Marion	900
John A. Logan College	Higher Education	Marion	850
University Mall	Retail	Carbondale	705
American Coal Co.	Coal processing	Galatia	650
Heartland Regional Med. Ctr.	General hospital	Marion	600
General Dynamics	Firearms	Marion	450
Herrin Hospital	Health care	Marion	450
Harrisburg Medical Center, Inc. Center for Comprehensive Services	Medical & psychiatric hospital	Harrisburg	450
Walmart Supercenter	Disabled rehabilitation	Carbondale	426
Pepsi Mid America	Retail Store	Carbondale	390
Blue Cross Blue Shield	Beverage bottling	Marion	350
US Department of Justice	Claims processing	Marion	350
	Federal prison	Marion	342
	Highway transportation		
Illinois Dept. of Transportation	department	Carbondale	315
The District (C.U.S.D. #3)	Public Education	Harrisburg	270
Illinois Youth Center	Correctional center	Harrisburg	225
Marion Reservation Center LLC	Hotel reservation call center	Marion	200
Ferrell Hospital	Hospital	Eldorado	200
Ameren Illinois Co.	Gas and electric utility	Marion	175
Egyptian Public Health	Public service	Raleigh	137
Walmart	Retail store	Harrisburg	135

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**DEMOGRAPHIC INFORMATION**

**Table 4 - Population Growth:**

The District has an estimated population of 13,049.

<b><u>Entity:</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>% Change 2000-2010</u></b>
District	N/A	13,890	12,796	-7.88%
Saline County	26,551	26,733	24,913	-6.81%
State of Illinois	11,430,602	12,419,293	12,830,632	3.31%

**Unemployment Rates:**

Unemployment statistics are not compiled specifically for the District. According to the Illinois Department of Employment Security, the City of Harrisburg posted an unemployment rate of 9.0% during calendar 2014, while Saline County posted an unemployment rate of 8.1% during calendar 2014. This compared with an annual average unemployment rate of 7.1% for the State of Illinois during calendar 2014.

**Median Household Income:**

According to the U.S. Census Bureau, 2009 – 2013 American Community Survey, the District had a median household income of \$40,218. This compares with \$57,166 for the State and with \$38,772 for Saline County. The District's median household income is approximately 70.35% of the State's median household income.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant/Borrower:	Harrisburg Community Unit School District 3, Saline County
Contact:	Michael Gauch, Superintendent 40 South Main, Harrisburg, IL 62946 Telephone: (618) 253-7637 E-mail: mgauch@harrisburg3.com
Entity:	Illinois Public School District
Board of Education:	Chris Penrod - President Michelle Way - Vice President Jeffrey Drake - Secretary Tom DeNeal Kevin Dowdy Ryan Lambert Billy Smith
Administration/Central Office Staff:	Michael Gauch, Superintendent John Hurd, Special Education Coordinator Cindy Black, Erate and Title Coordinator Debbie Abney, Special Education Secretary Cheryl Angelly, Bookkeeper Sherri Fox, Apple Computer Technician/Tech Coordinator Valerie Hodges, Administrative Assistant to the Superintendent/Food Service Coordinator/ Time and Attendance Secretary Keri Holland, Administrative Assistant to the Superintendent Kelly Wren, Bookkeeper Brenda Ziegler, Windows Computer Technician/Tech Coordinator

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**PROFESSIONAL & FINANCIAL**

Auditor:	Donohoo, McCalley & Associates	Wood River, IL	
Borrower's Financial Advisor:	Kings Financial Consulting, Inc.	Monticello, IL	E. Timothy King
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Larry White Seema Masterson
Disclosure Counsel:	Chapman and Cutler LLP	Chicago, IL	Kyle W. Harding Kent Floros
Senior Underwriter:	D.A. Davidson & Co.	Des Moines, IA	Scott Stevenson
Co-Manager:	RBC Capital Markets LLC	Chicago, IL	James N. Rachlin
Bond Registrar and Paying Agent:	UMB Bank, N.A.	Kansas City, MO	
Bond Insurance:	Assured Guaranty Municipal Corp.	New York, NY	
Rating Agency:	Standard and Poor's	Chicago, IL	
Issuer's Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago, IL	Melanie Shaker

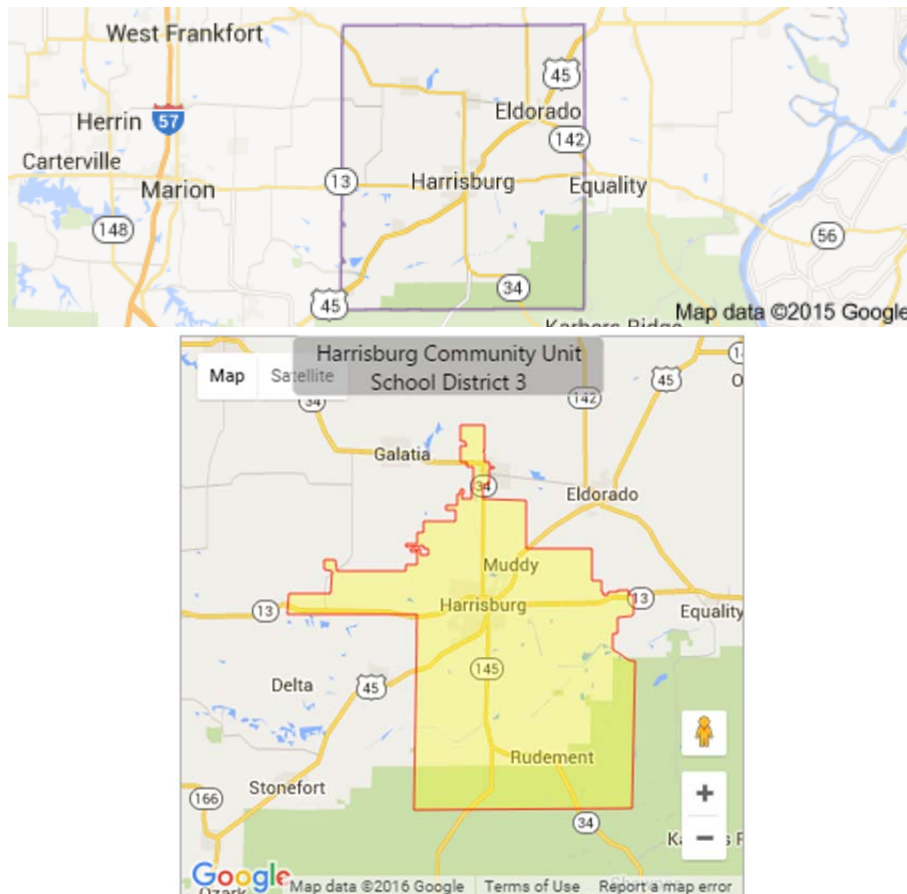
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**LEGISLATIVE DISTRICTS**

Congressional: 15  
 State Senate: 59  
 State House: 118

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**SALLINE COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 3 (HARRISBURG) MAP**



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**SUPPLEMENTAL INFORMATION RELATING TO THE PROPOSED ISSUANCE OF “ALTERNATE BONDS” BY COMMUNITY UNIT SCHOOL DISTRICT NO. 3 (HARRISBURG)**

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Summary  
Information on  
Alternate

Revenue Bonds: Section 15 of the Local Government Debt Reform Act provides that whenever there exists for a governmental unit a revenue source, the issuer [C.U.S.D. No. 3] may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as “*Alternate Bonds*”.

Such bonds are general obligation debt payable from the pledged alternate revenues with the general obligation of the issuer acting as back-up security.

The Reform Act prescribes several conditions that must be met before Alternate Bonds may be issued.

1. First, Alternate Bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the Alternate Bonds must be authorized under applicable law. Alternate Bonds may be issued payable from either enterprise revenues or other revenue sources, or both.
2. Second, the question of issuance must be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue Alternate Bonds, a petition signed by the greater of (i) 7.5% of the registered voters in the government unit or; (ii) 200 of those registered voters or 15%, whichever is less, is filed.
3. Third, the issuer [C.U.S.D. No. 3] must determine that the pledged revenue source or sources are sufficient in each year to final maturity to provide not less than 1.25 times debt service of the proposed Alternate Bonds and all other outstanding Alternate Bonds of the issuer [C.U.S.D. No. 3] payable from the same revenue source. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body [C.U.S.D. No. 3] to provide in each year an amount not less than 1.25 times debt service on all Alternate Bonds payable from such revenue sources previously issued and outstanding and the Alternate Bonds proposed to be issued. The issuer [C.U.S.D. No. 3] must in fact pledge and covenant to provide for, collect and apply the pledged alternate enterprise revenues or revenue source(s).

**RESOLUTION NO. 2016-0310-AD06**

**RESOLUTION TO ACCEPT THE FISCAL YEAR 2015 FINANCIAL AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT AND THE FISCAL YEARS 2014 & 2015 COMPLIANCE EXAMINATION**

**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, 2015 (“Fiscal Year 2015”), and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements;

**WHEREAS**, it is the Auditor General’s responsibility to maintain an effective system of internal controls over compliance requirements;

**WHEREAS**, E. C. Ortiz & Co., LLP performs as Special Assistant Auditors for the Auditor General;

**WHEREAS**, E. C. Ortiz & Co., LLP conducted the Authority’s Financial Audit for Fiscal Year 2015 in accordance with Government Auditing Standards, issued by the Comptroller General of the United States;

**WHEREAS**, E. C. Ortiz & Co., LLP conducted the Authority’s Compliance Examination for the two years ended June 30, 2015 (the “Fiscal Years 2014 & 2015 Compliance Examination”) in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States; the Illinois State Auditing Act; and the Audit Guide as adopted by the Auditor General pursuant to the Illinois State Auditing Act;

**WHEREAS**, on January 28, 2016, the Auditor General released the Authority’s Fiscal Year 2015 Financial Audit;

**WHEREAS**, on February 18, 2016, the Auditor General released the Authority’s Fiscal Years 2014 & 2015 Compliance Examination;

**WHEREAS**, the Authority submitted its Fiscal Year 2015 Comprehensive Annual Financial Report (“CAFR”) to the Government Finance Officers Association of the United States and Canada;

**WHEREAS**, in the opinion of the Independent Auditors, the Authority’s Fiscal Year 2015 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 the Illinois Finance Authority, as of June 30, 2015, 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;

**WHEREAS**, in the opinion of the Independent Auditors, except for the noncompliance described in the Fiscal Years 2014 & 2015 Compliance Examination findings, the Authority complied, in all material respects, with the requirements described above for the two years ended June 30, 2015;

**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 the Fiscal Year 2015 Financial Audit and Comprehensive Annual Financial Report and the Fiscal Years 2014 & 2015 Compliance Examination.** The Authority hereby accepts the Fiscal Year 2015 Financial Audit and Comprehensive Annual Financial Report and the Fiscal Years 2014 & 2015 Compliance Examination.

**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.



**RESOLUTION NO. 2016-0310-AD07**

**RESOLUTION REGARDING THE EVALUATION, COMPENSATION AND GOALS  
OF THE EXECUTIVE DIRECTOR**

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

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

**WHEREAS**, the Executive Committee has prepared a report on the recommended goals and evaluation and compensation of the Executive Director (the “Report”); and

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

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

**Section 2. Approval of the Report of the Executive Committee on the Evaluation, Compensation, and Goals of the Executive Director** The Report of the Executive Committee, attached hereto as an Exhibit, is hereby approved.

**Section 3. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

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

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

Approved and effective this 10th day of March, 2016 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Assistant Secretary