

**ILLINOIS FINANCE AUTHORITY**

**November 21, 2014**

**AGENDA**

**COMMITTEE OF THE WHOLE MEETING**

**10:30 a.m.**

**Michael A. Bilandic Building**

**160 North LaSalle Street**

**Room N - 1810**

**Chicago, Illinois 60601**

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

**BOARD MEETING**

**11:00 a.m.**

**Michael A. Bilandic Building**

**160 North LaSalle Street**

**Room N - 1808**

**Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Adoption of the Minutes
- IV. Acceptance of the Financial Statements
- V. Approval of Project Reports and Resolutions
- VI. Other Business
- VII. Public Comment
- VIII. 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	Thomas Frederick Justison	Illini Township (Macon County)	\$173,400	-	-	PE/LK
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$173,400</b>	-	-	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
<b>501(c)(3) Revenue Bonds</b> <i>Final</i>						
2	North Central College	Naperville (DuPage County)	\$66,500,000	7	150	RF/BF
<b>TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS</b>			<b>\$66,500,000</b>	<b>7</b>	<b>150</b>	

**HEALTHCARE PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>501(c)(3) Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
3	Advocate Health and Hospitals Corporation	Elgin (Cook and Kane County) and Libertyville (Lake County)	\$365,000,000	N/A	N/A	PL/NO
4	Kane County Senior Living (The Reserve of Geneva)	Geneva (Kane County)	\$13,500,000	9	10	PL/NO
<b>501(c)(3) Revenue Bonds</b> <i>Preliminary</i>						
5	IV Healthcorp, Inc. (Illinois Valley Community Hospital)	Peru (LaSalle County)	\$23,000,000	N/A	N/A	PL/NO
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$401,500,000</b>	<b>9</b>	<b>10</b>	
<b>GRAND TOTAL</b>			<b>\$468,173,400</b>	<b>16</b>	<b>160</b>	

**RESOLUTIONS**

Tab	Action	Staff
<b>Resolutions</b>		
6	Resolution Authorizing Amendment to Agreements Related to Illinois Finance Authority's \$10,000,000 (Maximum Principal Amount) Industrial Development Revenue Bond (Sterling Lumber Company Project) Series 2014, and Related Matters	RF/BF

November 21, 2014

TO: William A. Brandt, Jr., Chairman  
Gila J. Bronner  
James J. Fuentes  
Norman M. Gold  
Lerry Knox  
Edward H. Leonard, Sr.  
Carmen Lonstein  
Terrence M. O'Brien

Michael W. Goetz, Vice-Chairman  
Heather D. Parish  
Mayor Barrett F. Pedersen  
Roger Poole  
Mordecai Tessler  
David Vaught  
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

***A Strong Year-End for Healthcare and Higher Education***

This month, we are pleased to present three projects representing healthcare and higher education for your consideration that are scheduled to close before the end of the calendar year. General Operating Revenues generated as a result of these closings will help the Authority as we transition into the second half of our fiscal year.

First, Advocate Health and Hospitals Corporation is requesting approval of a Final Bond Resolution in an amount not to exceed \$365,000,000. A steadfast borrower of the Authority, Advocate now seeks to use bond proceeds to advance refund existing debt and realize savings. Second, Kane County Senior Living (The Reserve of Geneva) is requesting approval of a Final Bond Resolution in an amount not to exceed \$13,500,000. Also a repeat borrower of the Authority, Kane County Senior Living now seeks to use bond proceeds to refund existing debt, fund capital improvements and refurbishments and provide funds for the construction of a 4,500 square foot addition to provide for eight 2-bed assisted living units and 2 additional independent living units. Kane County Senior Living estimates that these capital expenditures will create 10 construction jobs and 9 new, permanent jobs at the residential facility.

Third, North Central College is requesting approval of a Final Bond Resolution in an amount not to exceed \$66,500,000. Preliminarily approved by the Authority at our October 2014 Board meeting, North Central College has decided to issue the Series 2014A Bond and Series 2014B Bond now and return to the Authority by the second quarter of calendar year 2015 to issue the third tranche of bonds. North Central College will use the proceeds from the sale of the Series 2014A Bond and other available funds to refund existing debt and realize savings. Likewise, proceeds from the sale of the Series 2014B Bond and other available funds will be used to refund existing debt and realize savings, but also to construct a new, 229-bed residence hall on campus. According to the Borrower, construction of the residence hall is expected to create 150 construction jobs and 7 new, permanent jobs.

***Working with Congress to Modernize Manufacturing Bonds***

U.S. Representative Randy Hultgren (R-IL-14) along with Representative Richard Neal (D-MA-01) previously introduced the Modernizing American Manufacturing Bonds Act (“MAMBA”) of 2014,

H.R. 5319, on August 1, 2014. MAMBA will update the decades-old rules concerning industrial revenue development bonds and help struggling small- and mid-sized manufacturers expand their businesses, investment in new capital equipment and, most importantly, hire more workers. The provisions of the federal tax code relating to industrial revenue development bonds have not been updated in nearly thirty years, and the Authority has seen both the number and the dollar volume of industrial development bonds fall accordingly. The Illinois Manufacturers' Association supports MAMBA for this reason. As the 114<sup>th</sup> United States Congress gets sworn in this coming January, the Authority will actively work closely again with U.S. Representative Hultgren to move MAMBA forward.

The Authority has long been a national leader in the number and dollar volume of industrial revenue development bond issuance as well as having a recognized subject matter expert, Rich Frampton, as an Authority Vice-President. For the past several years, the Authority has worked closely with one of its national organizations, Council of Development Finance Agencies ("CDFA"), to develop and introduce the much-needed MAMBA. Yesterday, in recognition of this cooperative effort, I was proud to accept CDFA's Federal Development Finance Leadership Award at CDFA's 2014 National Development Finance Summit in Scottsdale, AZ. I was humbled by the honor.

***Thank You for Your Public Service***

Finally, on behalf of the staff of the Authority and residents throughout Illinois, we thank you for your commitment to public service and we look forward to working with you in support of jobs and financing capital expansion projects throughout our great state. Members of this Board continue to provide active and effective stewardship at the Authority during a time of prolonged economic challenges, beginning with the collapse of the financial markets in 2008. During many of your long tenures at the Authority, you have upheld fiscal responsibility by ensuring that this self-funded agency both fulfills its public economic development mission and lives within its means.

Now, as we transition into calendar year 2015, we hope that your passionate commitment to fairness and equity as well as your recognition of our obligation as a public agency to reflect the diversity of Illinois remains strong.

Respectfully,



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Christopher B. Meister  
Executive Director

Attachments:

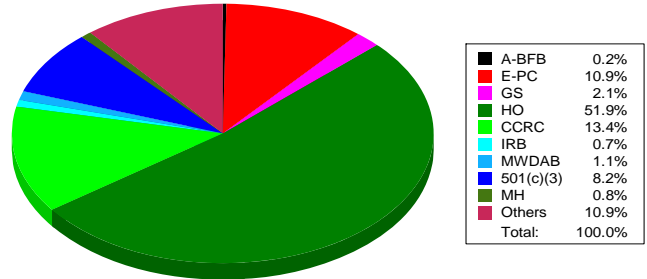
- Attachment 1 – Bonds Issued – Fiscal Year Comparison for the Period Ending October 31, 2014
- Attachment 2 – Bonds Issued and Outstanding as of October 31, 2014
- Attachment 3 – Schedule of Debt as of October 31, 2014

## Bonds Issued - Fiscal Year Comparison for the Period Ending October 31, 2014

### Fiscal Year 2013

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	4,461,655
8	Education	264,865,000
1	Gas Supply	50,000,000
10	Healthcare - Hospital	1,262,625,000
5	Healthcare - CCRC	326,840,068
3	Industrial Revenue	18,112,280
3	Midwest Disaster Area Bonds	25,700,000
11	501(c)(3) Not-for-Profit	198,592,750
1	MultiFamily/Senior Housing	18,630,000
1	Freight Transfer Facilities	75,000,000
2	Local Government	15,025,000
1	Enviromental issued under 20	10,935,000
<b>60</b>		<b>\$ 2,270,786,753</b>

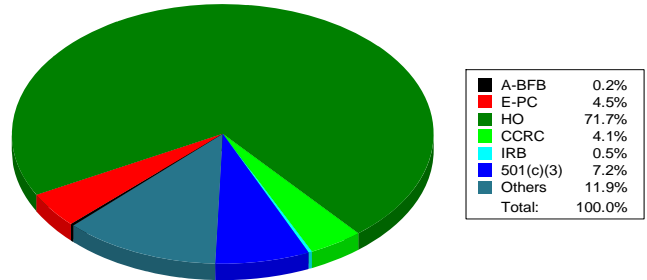
### Bonds Issued in Fiscal Year 2013



### 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
<b>56</b>		<b>\$ 2,099,391,751</b>

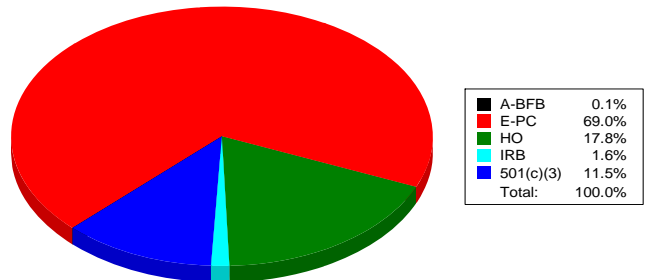
### Bonds Issued in Fiscal Year 2014



### Fiscal Year 2015

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	485,550
2	Education	593,445,000
2	Healthcare - Hospital	153,310,000
2	Industrial Revenue	14,000,000
5	501(c)(3) Not-for-Profit	99,245,000
<b>12</b>		<b>\$ 860,485,550</b>

### Bonds Issued in Fiscal Year 2015





**Bonds Issued and Outstanding as of  
October 31, 2014**

**Bonds Issued between July 01, 2014 and October 31, 2014**

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
HO Southern Illinois Healthcare	07/01/2014	Variable	127,215,000	51,235,000
IRB Peddinghaus Corporation	07/11/2014	Variable	4,000,000	0
A-BFB Beginning Farmer Bonds	07/01/2014	Variable	485,550	0
501(c)(3) Freeport Regional Health Care Foundation	07/22/2014	Variable	40,000,000	0
501(c)(3) Lawrence Hall Youth Services	08/13/2014	Variable	12,100,000	0
HO The Carle Foundation	08/08/2014	Variable	26,095,000	26,095,000
E-PC University of Chicago	08/12/2014	Variable	573,645,000	500,000,000
E-PC Dominican University	08/20/2014	Variable	19,800,000	19,800,000
IRB Freedman Seating Company	09/25/2014	Variable	10,000,000	5,068,417
501(c)(3) Rodgers Park Montessori School	09/26/2014	Fixed at Schedule	18,515,000	10,000,000
501(c)(3) Lake Forest College	10/17/2014	Variable	18,275,000	17,870,000
501(c)(3) Search, Inc.	10/31/2014	Variable	10,355,000	9,965,000
<b>Total Bonds Issued as of October 31, 2014</b>			<b><u>\$ 860,485,550</u></b>	<b><u>\$ 640,033,417</u></b>

**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, 2014 and October 31, 2014**

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Gentry Storm	09/19/2014	3.125	485,550	138.61	Shelby
<b>Total Beginner Farmer Bonds Issued</b>			<b><u>\$ 485,550</u></b>	<b><u>138.61</u></b>	

**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)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2014	October 31, 2014		
<b>Illinois Finance Authority "IFA" <sup>[b]</sup></b>				
Agriculture	\$ 53,777,601	\$ 54,338,151		
Education	4,273,376,072	4,267,474,639		
Healthcare	13,684,111,707	13,495,391,270		
Industrial Development [includes Recovery Zone/Midwest Disaster]	733,436,300	727,168,249		
Local Government	378,900,000	344,830,000		
Multifamily/Senior Housing	171,092,146	170,527,444		
501(c)(3) Not-for Profits	1,398,141,362	1,414,672,855		
Exempt Facilities Bonds	299,970,000	249,970,000		
<b>Total IFA Principal Outstanding</b>	<b>\$ 20,992,805,188</b>	<b>\$ 20,724,372,608</b>		
<b>Illinois Development Finance Authority "IDFA" <sup>[b]</sup></b>				
Education	12,126,388	496,388		
Healthcare	169,440,000	83,400,000		
Industrial Development	327,803,336	317,961,635		
Local Government	316,907,002	315,078,470		
Multifamily/Senior Housing	84,772,869	84,389,117		
501(c)(3) Not-for Profits	782,801,078	733,888,875		
Exempt Facilities Bonds	75,000,000	75,000,000		
<b>Total IDFA Principal Outstanding</b>	<b>\$ 1,768,850,673</b>	<b>\$ 1,610,214,485</b>		
<b>Illinois Rural Bond Bank "IRBB" <sup>[b]</sup></b>				
Bond Bank Revenue Bonds	10,985,000	-		
<b>Total IRBB Principal Outstanding</b>	<b>\$ 10,985,000</b>	<b>\$ -</b>		
<b>Illinois Health Facilities Authority "IHFA"</b>	<b>\$ 936,755,000</b>	<b>\$ 789,299,980</b>		
<b>Illinois Educational Facilities Authority "IEFA"</b>	<b>\$ 690,152,000</b>	<b>\$ 682,605,990</b>		
<b>Illinois Farm Development Authority "IFDA" <sup>[1]</sup></b>	<b>\$ 21,609,864</b>	<b>\$ 21,609,864</b>		
<b>Total Illinois Finance Authority Debt</b>	<b>\$ 24,421,157,725</b>	<b>\$ 23,828,102,927</b>	<b>\$ 28,150,000,000</b>	<b>\$ 4,321,897,073</b>

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

**Section I (b)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2014	October 31, 2014		
<b>General Purpose Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
** Issued through IRBB - Local Government Pools	\$ 10,985,000			
** Issued through IFA - Local Government Pools	21,370,000			
Issued through IFA - Illinois Medical District Commission	37,600,000	36,280,000		
<b>Total General Moral Obligations</b>	<b>\$ 69,955,000</b>	<b>\$ 36,280,000</b>	<b>\$ 150,000,000</b>	<b>\$ 113,720,000</b>
<b>Financially Distressed Cities Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	\$ -	\$ -		
Issued through IDFA	-	-		
<b>Total Financially Distressed Cities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000,000</b>	<b>\$ 50,000,000</b>
<b>State Component Unit Bonds <sup>[c]</sup></b>				
Issued through IDFA <sup>[1]</sup>	-	-		
Issued through IFA <sup>[1]</sup>	148,237,655	135,460,594		
<b>Total State Component Unit Bonds</b>	<b>\$ 148,237,655</b>	<b>\$ 135,460,594</b>		

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Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

**Section I (c)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2014	October 31, 2014		
<b>Midwest Disaster Bonds [Flood Relief]</b>	<b>\$ 66,044,684</b>	<b>\$ 65,811,071</b>	<b>\$ -</b>	<b>\$ 41,530,000</b>

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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 IFA	Bonds issued as of January 31, 2013	Available "Ceded" Volume Cap
<b>Recovery Zone Economic Development Bonds;</b>	<b>\$ 666,972,000</b>	<b>\$ 16,940,000</b>	<b>\$ 12,900,000</b>	<b>\$ 4,040,000</b>
<b>Recovery Zone Facilities Bonds</b>	<b>\$ 1,000,457,000</b>	<b>\$ 204,849,557</b>	<b>\$ 214,849,804</b>	<b>\$ (10,000,247)</b>
<b>Qualified Energy Conservation Bonds</b>	<b>\$ 133,846,000</b>	<b>\$ -</b>	<b>\$ 44,370,000</b>	<b>\$ -</b>

**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, 2014	October 31, 2014		
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, 2014	October 31, 2014		
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, 2014	October 31, 2014			
<b>Agri Debt Guarantees [Restructuring Existing Debt]</b>					
Fund # 994 - Fund Balance \$10,125,429	\$ 9,243,360	\$ 9,051,192	\$ 160,000,000	\$ 150,948,808	\$ 7,688,280
<b>AG Loan Guarantee Program</b>					
Fund # 205 - Fund Balance \$7,819,762	\$ 9,837,616	\$ 9,593,943	\$ 225,000,000 <sup>[e]</sup>	\$ 215,406,057	\$ 8,154,852
Agri Industry Loan Guarantee Program	\$ 5,108,251	\$ 5,047,612			4,290,470
Farm Purchase Guarantee Program	917,680	917,680			780,028
Specialized Livestock Guarantee Program	2,763,756	2,586,178			2,198,251
Young Farmer Loan Guarantee Program	1,047,929	1,042,474			886,103
<b>Total State Guarantees</b>	<b>\$ 19,080,977</b>	<b>\$ 18,645,135</b>	<b>\$ 385,000,000</b>	<b>\$ 366,354,865</b>	<b>\$ 15,843,132</b>

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

Section V		Fund #	Principal Outstanding		Appropriation Fiscal Year 2015	Cash and Investment Balance
			June 30, 2014	October 31, 2014		
132	Fire Truck Revolving Loan Program	Fund # 572	\$ 17,052,813	\$ 15,590,057	\$ 2,383,342	\$ 6,153,697
8	Ambulance Revolving Loan Program	Fund # 334	\$ 415,920	\$ 321,600	\$ 7,006,800	\$ 3,860,827

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, 2014	October 31, 2014		
<b>Environmental [Large Business]</b>				
Issued through IFA	\$ 26,315,000	\$ 25,595,000		
Issued through IDFA	177,380,000	177,380,000		
<b>Total Environmental [Large Business]</b>	<b>\$ 203,695,000</b>	<b>\$ 202,975,000</b>	<b>\$ 2,425,000,000</b>	<b>\$ 2,222,025,000</b>
<b>Environmental [Small Business]</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,000,000</b>	<b>\$ 75,000,000</b>
<b>Total Environment Bonds Issued under Act</b>	<b>\$ 203,695,000</b>	<b>\$ 202,975,000</b>	<b>\$ 2,500,000,000</b>	<b>\$ 2,297,025,000</b>

**Illinois Finance Authority Funds at Risk**

Section VII	Original Amount	Principal Outstanding	
		June 30, 2014	October 31, 2014
<b>Participation Loans</b>			
Business & Industry	23,020,158	1,616,353	1,560,082
Agriculture	6,079,859	114,269	114,269
<b>Participation Loans exluding Defaults &amp; Allowances</b>	<b>29,100,017</b>	<b>1,730,622</b>	<b>1,674,351</b>
<b>Plus: Legacy IDFA Loans in Default</b>		<b>858,458</b>	<b>858,458</b>
<b>Less: Allowance for Doubtful Accounts</b>		<b>1,002,182</b>	<b>1,002,182</b>
<b>Total Participation Loans</b>		<b>1,586,898</b>	<b>1,530,627</b>
<b>Local Government Direct Loans</b>	<b>1,289,750</b>	<b>157,689</b>	<b>147,000</b>
<b>Rural Bond Bank Local Government Note Receivable</b>			<b>22,685,037</b>
<b>FmHA Loans</b>	<b>963,250</b>	<b>227,046</b>	<b>214,734</b>
<b>Renewable Energy [RED Fund]</b>	<b>2,000,000</b>	<b>1,396,598</b>	<b>1,365,462</b>
<b>Total Loans Outstanding</b>	<b>34,353,017</b>	<b>3,368,231</b>	<b>25,942,860</b>

IRBB funds were defeased and transferred into a note receivable with the IFA.

[a] Total subject to change; late month payment data may not be included at issuance of report.  
 [b] State Component Unit Bonds included in balance.  
 [c] Does not include Unamortized issuance premium as reported in Audited Financials.  
 [d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.  
 [e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.  
 [f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.  
 [g] Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.  
 [h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]  
 [i] Includes EPA Clean Water Revolving Fund





## COMMITTEE MINUTES

**ILLINOIS FINANCE AUTHORITY  
COMMITTEE OF THE WHOLE  
REGULAR MEETING  
THURSDAY, OCTOBER 16, 2014  
9:43 A.M.**

### **I. Call to Order & Roll Call**

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the “Committee” or “COW”), begun and held at Courtroom II, 16<sup>th</sup> Floor, Michael A. Bilandic Building, 160 North LaSalle Street, Chicago, Illinois 60601, on the third Thursday of October in the year 2014, 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”), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 7 Members physically present and 1 Member present by means of audio conference.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board initially declared the absence of a quorum.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Fuentes and Member Gold were recorded as present at the time of 9:52 a.m. and 10:12 a.m., respectively. Thereupon, the Assistant Secretary of the Board declared that a quorum had been constituted.

**ILLINOIS FINANCE AUTHORITY  
COMMITTEE OF THE WHOLE  
COMMITTEE ROLL CALL  
QUORUM ROLL CALL FOR ATTENDANCE**

October 16, 2014  
0 YEAS

0 NAYS

10 PRESENT

P	Bronner	E	Leonard	P	Poole
P	Fuentes (ADDED)	P	Lonstein (VIA AUDIO CONFERENCE)	E	Tessler
P	Goetz	E	O’Brien	E	Vaught
P	Gold (ADDED)	P	Parish	P	Zeller
P	Knox	E	Pedersen	P	Mr. Chairman

E – Denotes Excused Absence

## II. Chairman's Remarks

Chairman Brandt welcomed Members of the Committee, Authority staff and all guests present. Chairman Brandt expressed his gratitude to the Appellate Court for providing space for the Authority to meet and conduct its meetings.

## III. Message from the Executive Director

Executive Director Meister thanked Appellate Judge Jesse Reyes, First District, 5<sup>th</sup> Division, for facilitating the Authority's ability to conduct its meetings in Courtroom II. Executive Director Meister explained that no State-owned conference rooms were available for the meetings this month, but he expects more proper arrangements to be made next month.

Finally, Executive Director Meister thanked Committee Members for their attendance of the special meeting of the Board on September 22, 2014.

## IV. Consideration of the Minutes

Member Lonstein stated she had reviewed the minutes and they are satisfactory for adoption.

Consideration of the Minutes was deferred until a quorum had been constituted.

## V. Presentation and Consideration of the Financial Statements

Ms. Gildart presented the following monthly and annual summary as of September 30, 2014:

### 1. GENERAL FUND REVENUES, EXPENSES AND NET INCOME

- a. Annual Operating Revenues totaled \$921 thousand, while annual Net Non-Operating Revenues totaled \$28 thousand. Total annual combined revenues of \$949 thousand are \$155 thousand or 14.1% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees for the 1<sup>st</sup> quarter, at \$501 thousand, are \$121 thousand or 19.4% below budget. The year to date revenue accrued for interest due from the former IRBB local governments totaled \$281 thousand. Annual application fees of \$20 thousand are 92% higher than budget. Annual net investment income of \$28 thousand is 47% below budget, but on pace to double FY14's ending total of \$62 thousand (with all factors remaining constant)<sup>1</sup>.

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<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.

- b. In August, major closings included the *University of Chicago* and the *Carle Foundation* which generated fees of \$211 and \$41 thousand respectively. In September, the Authority received closing fees from *Rogers Park Montessori* and *Freedman Seating* of \$67 and \$64 thousand respectively. September net investment income of \$2 thousand was sharply lower than August returns of \$37 thousand due to liquidity needs to fund the DACA loan program, the closing of IRBB Reserve and other Ziegler-managed IFA accounts and moving funds to Clear Arc.
- c. Annual Operating Expenses of \$905 thousand are \$190 thousand or 17.4% lower than budget being driven primarily by lower than expected employee related expenses and professional service costs. Year to date, employee expenses are \$76 thousand or 14% below budget, professional services are \$96 thousand or 26% below budget and occupancy costs are \$11 thousand or \$15% below budget.
- d. In September, total professional services were down \$83 thousand from August mostly due to the payment of paying agent fees for the former IRBB local governments in August. Other factors include lower legal fees from August and September marked the first month after the termination of the Chicago office lease at Prudential.
- e. The General Fund showed an Annual Net Income of \$161 thousand, which is directly attributable to the transfer of the remaining IRBB reserve funds and lower overall expenses. So far, the only month showing a net loss was July where we had a net loss of \$33 thousand.

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

- a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of just over \$52 million (consisting of cash, investments, and receivables) shows an increase in net position of over \$2 million, due to the IRBB defeasance and subsequent transfer of equity to the Local Government Borrowing Fund in June. In total, the fund has over \$51 million in unrestricted assets.
- b. Other major funds, new as of June 30<sup>th</sup> are the Ambulance and Fire Truck Revolving Loan Funds.
- c. The Component Units (IEPA, IMDC, NIU, NIUF) reporting will be updated for October.
- d. The Agency or Fiduciary Funds for IFA include the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund.

### **3. FY14 FINANCIAL STATEMENT AUDIT and GASB UPDATE**

- a. The FY14 financial audit is still in progress with the auditors currently reviewing IFA financial statements. Footnote disclosures and other components of the Authority's first Comprehensive Annual Financial Report ("CAFR") will be submitted within the next week.

In connection with the liquidation of Ziegler Capital Management, LLC ("Ziegler") funds, Vice Chairman Goetz inquired as to the status of the Authority's relationship with Ziegler Companies, Inc. and the Illinois Environmental Protection Agency. Executive Director Meister informed the Committee he and Ms. Gildart had a subsequent meeting with Ziegler Companies, Inc. Furthermore, Executive Director Meister has been keeping the Illinois Environmental Protection Agency informed of the transition of funds to ClearARC Capital, Inc.

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on August 22, 2014, errors in the Minutes of the regular meeting of the Board held on August 22, 2014, or any errors in the Minutes of the special meeting of the Board held on September 22, 2014.

Vice Chairman Goetz moved for the adoption of the Minutes of the regular meeting of the Committee held on August 22, 2014 and the recommendation of the Financial Statements for the Months Ended August 31, 2014 and September 30, 2014

Member Parish seconded the motion.

The motion prevailed and the Minutes were adopted and Financial Statements were recommended for approval.

### **VI. Monthly Procurement Report**

Ms. Gildart presented the Monthly Procurement Report, which included contracts pending execution, contract renewals, new contracts, upcoming solicitations, and a list of vendors procured by the State of Illinois without action needed by Members of the Authority.

Ms. Gildart noted that the solicitation for the Debt Management Software was cancelled and reissued due to the initial vendor responses not being in compliance with State requirements.

Referring back to materials distributed by Ms. Gildart, Chairman Brandt expressed his satisfaction that other than the IFA Loan Number 2012-AI-0601 (Roanoke Milling Co.), loan guarantees outstanding that are on the Authority's loan portfolio watchlist have been significantly reduced.

Executive Director Meister noted that the Authority is in litigation with Litchfield National Bank concerning IFA Project Number A-DR-GT-8124 (Jeffrey and Dee Dee Seabaugh Agri-Debt Restructuring Guarantee). Accordingly, it does not appear on the Authority's loan portfolio watchlist.

Chairman Brandt and Executive Director Meister engaged in a conversation about loan guarantees being repaid; however, new participation loans are not being originated. Chairman Brandt stated that he has discussed his desire previously with Member Zeller to begin originating agriculture loans again.

Executive Director Meister reminded Members of the Committee that the Authority expended approximately \$23 million to defease and redeem the Illinois Rural Bond Bank Bonds. As a result, the moral obligation of State taxpayers was eliminated and the Authority now earns interest income on the underlying local government loans.

Vice Chairman Goetz inquired as to the Authority Energy Efficiency Program. Executive Director Meister explained that discussions are ongoing with other State agencies. Furthermore, Executive Director Meister expressed his frustration with the procurement process.

## **VII. Committee Reports**

### *Agriculture Committee*

Member Zeller reported that the Agriculture Committee reviewed and recommended approval of the following project reports: Items 1A, 1B, 1C, 2 and 3.

### *Healthcare and Education Committee*

Member Knox reported that the Healthcare and Education Committee reviewed and recommended approval of the following project reports: Items 4, 5, 6 and 7.

### *Audit Committee*

Member Bronner noted that the Authority staff is working on the FY financial audit with the Illinois Auditor General's special assistant auditors. At this juncture, the Committee did not feel it was necessary to have a Committee meeting but will hold one closer to the completion of the audit process in the fall.

Member Bronner also informed the Committee that work has begun on publishing the Authority's first CAFR.

## **VIII. Project Reports and Resolutions**

Mr. Evans presented the following projects:

### *Agriculture Projects*

**Item 1A:** Item 1A is a request for Beginning Farmer Revenue Bond financing.

**Adam E. Helregel** is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Fifty Thousand Dollars** (\$150,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 10 acres of farmland including buildings and grain bins located in Ste. Marie Township in Jasper County.

**Item 1B:** Item 1B is a request for Beginning Farmer Revenue Bond financing.

**Rollin Wenger** is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Thirty-Seven Thousand Five Hundred Dollars** (\$137,500). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 25 acres of farmland located in Forrest Township in Livingston County.

**Item 1C:** Item 1C is a request for Beginning Farmer Revenue Bond financing.

**Jacob Cody Elliott** is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Four Hundred Forty-One Thousand** (\$441,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 197 acres of farmland including buildings and grain bins located in Eliza Township in Mercer County.

Member Zeller asked Mr. Evans what the maximum amount of new money is for each Beginning Farmer Bond project pursuant to federal tax law. Mr. Evans explained that the cap is now \$509,600; Executive Director Meister informed the Committee that State law now corresponds to federal law and Beginning Farmer Bond caps are now adjusted annually to correspond to the Consumer Price Index (“CPI”).

**Item 2:** Item 2 is a request for an Agri-Debt Restructuring Guarantee.

Berkeley Boehne is requesting approval of an Agri-Debt Restructuring Guarantee in an amount not to exceed 85% of a proposed face loan amount of **Five Hundred Thousand Dollars** (\$500,000). This financing is being presented for one-time consideration.

Loan proceeds will be used by Berkeley Boehne (the “**Borrower**”) and Resource Bank, N.A. (the “**Secured Lender**”) to refinance the Borrower’s existing real estate debt with 1st Farm Credit Services and American Midwest Bank. The Authority’s guarantee represents State Treasurer funds at risk in an amount not to exceed **Four Hundred Twenty-Five Thousand Dollars** (\$425,000). The Secured Lender will be exposed on all debt above the guaranteed amount.

Mr. Evans noted that along with a concurrent request for an Agri-Debt Restructuring Guarantee by the Borrower’s brother Vaughn Boehne, the Authority will be cumulatively guaranteeing State Treasurer funds at risk in an amount not to exceed **Eight Hundred Fifty Thousand Dollars** (\$850,000).

Approval of this project will be subject to the following conditions: (i) Annual Profit/Loss statements and annual Balance Sheets provided to the Authority and the Lender for the Borrower and each Guarantor; (ii) no capital expenditures without Authority and Bank approval; (iii) updated financial statements for the Borrower or any Guarantors, if deemed necessary in the sole judgment of IFA staff, with results demonstrating no materially adverse changes in financial position; and (iv) the Authority and Bank shall be secured by a First Mortgage on the subject 113.61 acre property.

**Item 3:** Item 3 is a request for an Agri-Debt Restructuring Guarantee.

Vaughn Boehne is requesting approval of an Agri-Debt Restructuring Guarantee in an amount not to exceed 85% of a proposed face loan amount of **Five Hundred Thousand Dollars** (\$500,000). This financing is being presented for one-time consideration.

Loan proceeds will be used by Vaughn Boehne (the “**Borrower**”) and Resource Bank, N.A. (the “**Secured Lender**”) to refinance the Borrower’s existing real estate debt with 1st Farm Credit Services and American Midwest Bank. The Authority’s guarantee represents State Treasurer funds at risk in an amount not to exceed **Four Hundred Twenty-Five Thousand Dollars** (\$425,000). The Secured Lender will be exposed on all debt above the guaranteed amount.

Again, approval of this project will be subject to the following conditions: (i) Annual Profit/Loss statements and annual Balance Sheets provided to the Authority and the Lender for the Borrower and each Guarantor; (ii) no capital expenditures without Authority and Bank approval; (iii) updated financial statements for the Borrower or any Guarantors, if deemed necessary in the sole judgment of IFA staff, with results demonstrating no materially adverse changes in financial position; and (iv) the Authority and Bank shall be secured by a First Mortgage on the subject 113.61 acre property.

Mr. Frampton presented the following project:

***Educational, Cultural and Non-Healthcare 501(c)(3) Projects***

**Item 4:** Item 4 is a request for 501(c)(3) Revenue Bond financing.

Lake Forest College is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Nineteen Million Dollars** (\$19,000,000). This financing is being presented for one-time consideration.

Bond proceeds will issued in one or more series in an aggregate principal amount not to exceed \$19,000,000 and used by **Lake Forest College** (the “**College**” or the “**Borrower**”), an Illinois corporation incorporated under a special act of the Illinois Legislature, to provide the College with the funds necessary to (i) refund and redeem the Illinois Educational Facilities Authority Revenue Bonds, Lake Forest College, Series 1998 (the “**Series 1998 Bonds**”) (including, without limitation, financing both the principal and accrued interest component of the redemption price if deemed desirable by the College) and (ii) pay costs relating to the issuance of the Bonds and the refunding and redemption of the Series 1998 Bonds, if deemed necessary or desirable by the College, all as permitted under the Illinois Finance Authority Act (and, collectively, the “**Financing Purposes**”).

Mr. Fletcher presented the following project:

**Item 5:** Item 5 is a request for 501(c)(3) Revenue Bond financing.

North Central College is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Ninety-Seven Million Five Hundred Thousand Dollars** (\$97,500,000).

Bond proceeds, together with certain other funds, will be used by **North Central College** (the “**College**” or “**Borrower**”) to: (i) finance, refinance or reimburse the Borrower 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 educational facilities, including, without limitation, the planning, design, acquisition, construction, furnishing and equipping of a new residence hall and a new science center, and including related infrastructure, landscaping, signage and other similar improvements (and collectively, the “**New Projects**”), (ii) current refund and redeem certain tax-exempt revenue bonds, including IEFA Series 1998

ACI/Cultural Pool Bonds, IEFA Series 1999 ACI/Cultural Pool Bonds, and IFA Series 2008 Revenue Bonds (and, collectively, the “**Prior Bonds**”), the proceeds of which were used for a variety of capital improvement projects and related costs at North Central College’s Naperville campus as detailed in the Bond Resolution for this financing, (iii) pay certain working capital expenditures if deemed desirable by the Borrower and (iv) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, certain costs incurred in connection with the refunding and redemption of the Prior Bonds and certain payments incurred in connection with the termination of certain interest rate exchange agreements, all as permitted under the Act (and collectively, the “**Financing Purposes**”).

Ms. O’Brien presented the following projects:

### *Healthcare Projects*

**Item 6:** Item 6 is a request for 501(c)(3) Revenue Bond financing.

The Lodge of Northbrook, Inc. is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Nineteen Million Dollars** (\$19,000,000).

Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the “**Corporation**” or the “**Borrower**”) to (i) repay the Borrower’s construction loan, the proceeds of which were used to pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “**Projects**” (as such term is defined in the Act) for the Borrower’s housing complex for the elderly located in Northbrook, Illinois; (ii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015 (estimated) Bonds and the refinancing of the construction loan, all as permitted by the Act (collectively, the “**Financing Purposes**”).

**Item 7:** Item 7 is a request for 501(c)(3) Revenue Bond financing.

Villa St. Benedict is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Forty-Three Million Dollars** (\$43,000,000).

Bond or Note proceeds will be used by Villa St. Benedict (the “**Corporation**” or the “**Borrower**”) to: (i) refund all or a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003-A1 and Series 2003-A2 (the “**Prior Bonds**”); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds or Notes and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the “**Project**”).

Chairman Brandt, Vice Chairman Goetz and Ms. O’Brien engaged in a discussion about the Prior Bonds as a result of Villa St. Benedict operating the campus under a Forbearance Agreement with the current Bondholders since August 1, 2010. Ms. O’Brien noted that this refinancing, once negotiations with a purchasing bank have been finalized by the end of the year, will provide significant savings to the Borrower by reducing the monthly debt service burden while also enabling the Borrower to pay down principal on a new level debt service repayment schedule.

Furthermore, the proposed IFA Series 2014 Bonds would provide sufficient funds to repay all deferred principal payments (and any other amounts due) to Series 2003 Bondholders. This result would be



accomplished with a debt structure that will also remove the Prior Bonds from the public market and transition this financing to become a direct bank purchase transaction.

Mr. Fletcher presented the following resolution:

***Resolutions***

**Item 8:** Item 8 is a Resolution Authorizing the Issuance of Not to Exceed **Ten Million Four Hundred Thousand Dollars** (\$10,400,000) in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bond (Search, Inc. Project), Series 2014, the Proceeds of which are to be Loaned to Search, Inc.

Vice Chairman Goetz inquired as to the services provided by Search, Inc. Mr. Fletcher informed Vice Chairman Goetz and Members of the Committee that Search, Inc. provides residential group homes to individuals with intellectual and developmental disabilities, regardless of income or age.

**VIII. Other Business**

None.

**IX. Public Comment**

None.

**X. Adjournment**

At the time of 10:22 a.m., Member Bronner moved that the Committee do now adjourn until November 13, 2014, at 9:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:

Brad R. Fletcher

Assistant Secretary of the Board



## BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
REGULAR MEETING  
THURSDAY, OCTOBER 16, 2014  
10:33 A.M.**

### **I. Call to Order & Roll Call**

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at Courtroom II, 16<sup>th</sup> Floor, Michael A. Bilandic Building, 160 North LaSalle Street, Chicago, Illinois 60601, on the third Thursday of October in the year 2014, 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”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

**ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
QUORUM ROLL CALL FOR ATTENDANCE**

October 16, 2014

0 YEAS

0 NAYS

10 PRESENT

P Bronner

E Leonard

P Poole

P Fuentes

P Lonstein

E Tessler

(VIA AUDIO CONFERENCE)

P Goetz

E O’Brien

E Vaught

P Gold

P Parish

P Zeller

P Knox

E Pedersen

P Mr. Chairman

E – Denotes Excused Absence

## **II. Chairman's Remarks**

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt, Chairman from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on October 16, 2014, reported the same back and that all items were thoroughly reviewed.

## **III. Adoption of the Minutes**

Minutes of the regular meeting of the Board held on August 22, 2014, Minutes of the special meeting of the Board held on September 22, 2014, Financial Statements for Month Ended August 31, 2014, and Financial Statements for the Month Ended September 30, 2014 were taken up for consideration.

Member Bronner moved for the adoption of the Minutes and the Financial Statements.

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

## **IV. Acceptance of the Financial Statements**

See Agenda Item III.

## **V. Approval of Project Reports and Resolutions**

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project:

### ***Agriculture Projects***

**Item 1A:** Item 1A is a request for Beginning Farmer Revenue Bond financing.

**Adam E. Helregel** is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Fifty Thousand Dollars** (\$150,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 10 acres of farmland including buildings and grain bins located in Ste. Marie Township in Jasper County.

Vice Chairman Goetz moved for the adoption of the following project: Item 1A.

Member Knox seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Chairman Brandt directed Mr. Frampton to present the remaining projects without guests or abstentions to the Board.

Mr. Frampton presented the following projects:

*Agriculture Projects*

**Item 1B:** Item 1B is a request for Beginning Farmer Revenue Bond financing.

**Rollin Wenger** is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Thirty-Seven Thousand Five Hundred Dollars** (\$137,500). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 25 acres of farmland located in Forrest Township in Livingston County.

**Item 1C:** Item 1C is a request for Beginning Farmer Revenue Bond financing.

**Jacob Cody Elliott** is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Four Hundred Forty-One Thousand** (\$441,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 197 acres of farmland including buildings and grain bins located in Eliza Township in Mercer County.

**Item 2:** Item 2 is a request for an Agri-Debt Restructuring Guarantee.

Berkeley Boehne is requesting approval of an Agri-Debt Restructuring Guarantee in an amount not to exceed 85% of a proposed face loan amount of **Five Hundred Thousand Dollars** (\$500,000). This financing is being presented for one-time consideration.

Loan proceeds will be used by Berkeley Boehne (the “**Borrower**”) and Resource Bank, N.A. (the “**Secured Lender**”) to refinance the Borrower’s existing real estate debt with 1st Farm Credit Services and American Midwest Bank. The Authority’s guarantee represents State Treasurer funds at risk in an amount not to exceed **Four Hundred Twenty-Five Thousand Dollars** (\$425,000). The Secured Lender will be exposed on all debt above the guaranteed amount.

Mr. Frampton noted that along with a concurrent request for an Agri-Debt Restructuring Guarantee by the Borrower’s brother Vaughn Boehne, the Authority will be cumulatively guaranteeing State Treasurer funds at risk in an amount not to exceed **Eight Hundred Fifty Thousand Dollars** (\$850,000).

Approval of this project is subject to the conditions discussed at the Committee of the Whole Meeting held earlier on October 16, 2014.

**Item 3:** Item 3 is a request for an Agri-Debt Restructuring Guarantee.

Vaughn Boehne is requesting approval of an Agri-Debt Restructuring Guarantee in an amount not to exceed 85% of a proposed face loan amount of **Five Hundred Thousand Dollars** (\$500,000). This financing is being presented for one-time consideration.

Loan proceeds will be used by Vaughn Boehne (the “**Borrower**”) and Resource Bank, N.A. (the “**Secured Lender**”) to refinance the Borrower’s existing real estate debt with 1st Farm Credit Services and American Midwest Bank. The Authority’s guarantee represents State Treasurer funds at risk in an amount not to exceed **Four Hundred Twenty-Five Thousand Dollars** (\$425,000). The Secured Lender will be exposed on all debt above the guaranteed amount.

Again, Mr. Frampton noted that along with the aforementioned request for an Agri-Debt Restructuring Guarantee by the Borrower’s brother Berkely Boehne, the Authority will be cumulatively guaranteeing State Treasurer funds at risk in an amount not to exceed **Eight Hundred Fifty Thousand Dollars** (\$850,000).

Approval of this project is also subject to the conditions discussed at the Committee of the Whole Meeting held earlier on October 16, 2014.

### *Educational, Cultural and Non-Healthcare 501(c)(3) Projects*

**Item 4:** Item 4 is a request for 501(c)(3) Revenue Bond financing.

Lake Forest College is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Nineteen Million Dollars** (\$19,000,000). This financing is being presented for one-time consideration.

Bond proceeds will issued in one or more series in an aggregate principal amount not to exceed \$19,000,000 and used by **Lake Forest College** (the “**College**” or the “**Borrower**”), an Illinois corporation incorporated under a special act of the Illinois Legislature, to provide the College with the funds necessary to (i) refund and redeem the Illinois Educational Facilities Authority Revenue Bonds, Lake Forest College, Series 1998 (the “**Series 1998 Bonds**”) (including, without limitation, financing both the principal and accrued interest component of the redemption price if deemed desirable by the College) and (ii) pay costs relating to the issuance of the Bonds and the refunding and redemption of the Series 1998 Bonds, if deemed necessary or desirable by the College, all as permitted under the Illinois Finance Authority Act (and, collectively, the “**Financing Purposes**”).

### *Healthcare Projects*

**Item 6:** Item 6 is a request for 501(c)(3) Revenue Bond financing.

The Lodge of Northbrook, Inc. is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Nineteen Million Dollars** (\$19,000,000).

Bond proceeds will be used by **The Lodge of Northbrook, Inc.** (the “**Corporation**” or the “**Borrower**”) to (i) repay the Borrower’s construction loan, the proceeds of which were used to pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “**Projects**” (as such term is defined in the Act) for the Borrower’s housing complex for the elderly located in Northbrook, Illinois; (ii) the acquisition, construction, renovation and refinancing of various other capital improvements and equipment related to the complex; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2015 (estimated) Bonds and the refinancing of the construction loan, all as permitted by the Act (collectively, the “**Financing Purposes**”).

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1A to the following projects: Items 1B, 1C, 2, 3, 4, and 6.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

Chairman Brandt directed Mr. Frampton to present the resolution without guests or abstentions to the Board.

Mr. Frampton presented the following resolution:

***Resolutions***

**Item 8:** Item 8 is a Resolution Authorizing the Issuance of Not to Exceed **Ten Million Four Hundred Thousand Dollars** (\$10,400,000) in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bond (Search, Inc. Project), Series 2014, the Proceeds of which are to be Loaned to Search, Inc.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1A to the following resolution: Item 8.

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted.

Chairman Brandt directed Mr. Frampton to present the projects which may have guests.

Mr. Frampton presented the following project:

***Educational, Cultural and Non-Healthcare 501(c)(3) Projects***

**Item 5:** Item 5 is a request for 501(c)(3) Revenue Bond financing.

North Central College is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Ninety-Seven Million Five Hundred Thousand Dollars** (\$97,500,000).

Bond proceeds, together with certain other funds, will be used by **North Central College** (the “**College**” or “**Borrower**”) to: (i) finance, refinance or reimburse the Borrower 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 educational facilities, including, without limitation, the planning, design, acquisition, construction, furnishing and equipping of a new residence hall and a new science center, and including related infrastructure, landscaping, signage and other similar improvements (and collectively, the “**New Projects**”), (ii) current refund and redeem certain tax-exempt revenue bonds, including IEFA Series 1998 ACI/Cultural Pool Bonds, IEFA Series 1999 ACI/Cultural Pool Bonds, and IFA Series 2008 Revenue Bonds (and, collectively, the “**Prior Bonds**”), the proceeds of which were used for a variety of capital improvement projects and related costs at North Central College’s Naperville campus as detailed in the Bond Resolution for this financing, (iii) pay certain working capital expenditures if deemed desirable by the Borrower and (iv) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, certain costs incurred in connection with the refunding and redemption of the Prior Bonds and certain payments incurred in connection with the termination of certain interest rate exchange agreements, all as permitted under the Act (and collectively, the “**Financing Purposes**”).

Chairman Brandt announced that Mr. Paul Loscheider, Vice President for Business Affairs for North Central College, was present and ready to speak on behalf of the project.

Mr. Loscheider thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mr. Loscheider.

Mr. Frampton presented the following project:

***Healthcare Projects***

**Item 7:** Item 7 is a request for 501(c)(3) Revenue Bond financing.

Villa St. Benedict is requesting approval of a **Preliminary** Bond Resolution in an amount not to exceed **Forty-Three Million Dollars** (\$43,000,000).

Bond or Note proceeds will be used by Villa St. Benedict (the “**Corporation**” or the “**Borrower**”) to: (i) refund all or a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003-A1 and Series 2003-A2 (the “**Prior Bonds**”); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds or Notes and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the “**Project**”).

Chairman Brandt announced that Mr. Kevin Rymanowski and Mr. Eric Lunde, Chief Financial Officer for Benedictine Health System (Minnesota) and Managing Director for Piper Jaffray Companies, respectively, were present and ready to speak on behalf of the project.

Mr. Rymanowski thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mr. Rymanowski and Mr. Lunde.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1A to the following projects: Items 5 and 7.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

**VI. Other Business**

None.

**VII. Public Comment**

None.

**VIII. Adjournment**

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on November 13, 2014.

At the time of 10:50 a.m., Member Zeller moved that the Board do now adjourn until November 13, 2014, at 10:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:  
Brad R. Fletcher  
Assistant Secretary of the Board



**FINANCIAL ANALYSIS**

November 13, 2014

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS  
MONTHLY AND ANNUAL SUMMARY AS OF OCTOBER 31, 2014****1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. Annual Operating Revenues totaled \$1.1 million, while annual Net Non-Operating Revenues totaled \$64 thousand. Total annual combined revenues of \$1.2 million are \$270 thousand or 18.3% below budget; due primarily to lower than expected closing, administrative service and miscellaneous fees. Closing fees year to date of \$580 thousand, are \$249 thousand or 30.1% below budget. Included in Interest Income on Loans, the year to date revenue accrued for interest due from the former IRBB local governments totaled \$380 thousand. Annual fees of \$119 thousand are 6% or nearly \$7 thousand higher than budget. Application fees are also higher at \$22 thousand for the year, which is 64% over budget. Annual net investment income of \$64 thousand has already surpassed fiscal year 2014's total of \$62 thousand, with IFA being just four months into fiscal year 2015. The major drivers of this change include a reduced level of trading and holding investments until maturity. Realized and unrealized losses are less than 50% of the budgeted amounts.
- b. In October, major closings included the *Lake Forest College* and *Search, Inc.* which generated fees of \$67 and \$12 thousand respectively. October's net investment income of \$35 thousand was dramatically higher than September's total of just \$2 thousand and comparable to August returns of \$37 thousand. As a reminder, the low returns in September were due to liquidity needs to fund the DACA loan program, the closing of the IRBB Reserve and other Ziegler-managed IFA accounts and moving funds to Clear Arc.
- c. Annual Operating Expenses of \$1.2 million are \$284 thousand or 19.5% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Year to date, employee expenses are \$108 thousand or 15% below budget, professional services are \$172 thousand or 34.2% below budget and depreciation costs are \$11 thousand or 42% below budget, due to ongoing work being performed on new IT software systems.
- d. In October, total professional services of \$50 thousand represented a decrease from September of nearly 50%. Legal fees and financial advisory fees were both well below budgeted totals of \$380 and \$180 thousand respectively. Occupancy costs increased by \$31 thousand from September driven exclusively by the payment of moving costs of the Chicago Office from the Prudential Building to Bilandic.
- e. Though October activity resulted in a monthly Net Loss of -\$18 thousand, on a year to date basis, IFA currently shows Annual Net Income of \$143 thousand. Major contributors to the positive bottom line include the transfer of the remaining IRBB reserve funds, lower overall expenses and greater than expected investment returns.

## V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF OCTOBER 31, 2014 (CONT'D)

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

- a. IFA continues to maintain a strong balance sheet with total net position at \$99.7 million (not including the debt related activity of the component units).
- b. In the General Operating Fund, total assets remain at \$52.5 million (consisting of cash, investments, and receivables). Unrestricted cash and investments total \$25 million, notes receivables for the former IRBB local governments total \$22.7 million and restricted cash in the DACA Loan Fund totals \$1.3 million.

### 3. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

- a. The Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of \$194 thousand. Net investment income in both funds are \$10 and \$8 thousand respectively. Monies have been invested since July 2014.
- b. Other Non-Major Funds booked revenues of \$89 thousand, of which, \$73 thousand derived from investment activity.
- c. The Component Units (IEPA, IMDC, NIU and NIUF) reporting will be updated for the December meeting.
- d. The Agency/Fiduciary Funds for IFA include the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund. The Development Fund posted a closing fee of \$25,000 from *Method Products* for its first transaction which closed on 9/12.

### 4. FY14 FINANCIAL STATEMENT AUDIT and GFOA/GASB UPDATE

- a. The FY14 financial audit is winding down with a short time left until the end of fieldwork.
- b. The authority has made significant progress in compiling and issuing its first Comprehensive Annual Financial Report (CAFR). A CAFR is the preferred mechanism for government entities to report their financial condition, in addition to other information regarding its major initiatives, structure, historical trends and capacity, along with the discussion by management of the story behind the numbers.
- c. The Government Finance Officers Association (GFOA) winter meetings will take place December 10-12 in Washington, D.C. Various committees including the Committee on Accounting, Auditing and Financial Reporting will meet to discuss upcoming GASB pronouncements, new and pending Federal requirements and current issues affecting government finance nationwide and in Canada.

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<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.



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND NET INCOME**  
**GENERAL OPERATING FUND**  
**FOR FISCAL YEAR 2015 AS OF OCTOBER 31, 2014**  
**(PRELIMINARY AND UNAUDITED)**

	JUL	AUG	SEP	OCT	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	2015 BUDGET VARIANCE (\$)	2015 BUDGET VARIANCE (%)
<b>Operating Revenues:</b>								
Closing Fees	66,825	295,753	138,542	78,500	579,620	829,000	(249,380)	-30.1%
Annual Fees	10,367	42,720	31,533	34,580	119,200	112,500	6,700	6.0%
Administrative Service Fees	-	10,000	15,000	-	25,000	38,333	(13,333)	-34.8%
Application Fees	1,100	14,328	4,300	2,700	22,428	13,668	8,760	64.1%
Miscellaneous Fees	62	-	-	-	62	20,000	(19,938)	-99.7%
Interest Income-Loans	120,406	67,709	102,031	102,123	392,269	386,610	5,659	1.5%
Other Revenue	272	291	-	269	832	1,600	(768)	-48.0%
<b>Total Operating Revenue:</b>	<b>\$ 199,032</b>	<b>\$ 430,801</b>	<b>\$ 291,406</b>	<b>\$ 218,172</b>	<b>\$ 1,139,411</b>	<b>\$ 1,401,711</b>	<b>\$ (262,300)</b>	<b>-18.7%</b>
<b>Operating Expenses:</b>								
Employee Related Expense	158,165	155,946	152,957	148,571	615,639	723,692	(108,053)	-14.9%
Professional Services	2,882	179,754	97,492	49,885	330,013	501,660	(171,647)	-34.2%
Occupancy Costs	26,485	26,590	9,247	40,454	102,776	97,216	5,560	5.7%
General & Administrative	28,707	28,568	26,718	28,656	112,649	111,433	1,216	1.1%
Depreciation and Amortization	3,847	3,847	3,847	3,876	15,417	26,667	(11,250)	-42.2%
<b>Total Operating Expense</b>	<b>\$ 220,086</b>	<b>\$ 394,705</b>	<b>\$ 290,261</b>	<b>\$ 271,442</b>	<b>\$ 1,176,494</b>	<b>\$ 1,460,668</b>	<b>\$ (284,174)</b>	<b>-19.5%</b>
<b>Operating Income(Loss)</b>	<b>\$ (21,054)</b>	<b>\$ 36,096</b>	<b>\$ 1,145</b>	<b>\$ (53,270)</b>	<b>\$ (37,083)</b>	<b>\$ (58,957)</b>	<b>\$ 21,874</b>	<b>37.1%</b>
<b>Nonoperating Revenues (Expenses):</b>								
Bad Debt Recoveries and Adjustments	-	-	-	-	-	5,000	(5,000)	-100.0%
Miscellaneous Non-Operating Revenues/(Expenses)	-	-	-	-	-	(667)	667	-100.0%
Interest and Investment Income	26,997	34,457	19,837	29,932	111,223	166,867	(55,644)	-33.3%
Realized Gain (Loss) on Sale of Investment	-	(444)	(19)	(31)	(494)	(16,667)	16,173	-97.0%
Net Appreciation (Depr) in fair value of Investments	(38,575)	3,960	(17,901)	5,423	(47,093)	(83,333)	36,240	-43.5%
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (11,578)</b>	<b>\$ 37,973</b>	<b>\$ 1,917</b>	<b>\$ 35,324</b>	<b>\$ 63,636</b>	<b>\$ 71,200</b>	<b>\$ (7,564)</b>	<b>-10.6%</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ (32,632)</b>	<b>\$ 74,069</b>	<b>\$ 3,062</b>	<b>\$ (17,946)</b>	<b>\$ 26,553</b>	<b>\$ 12,243</b>	<b>\$ 14,310</b>	<b>116.9%</b>
<b>Transfers:</b>								
Transfers in from other funds	-	2,263,041	116,837	10	2,379,888	-	-	0.0%
Transfers out to other funds	-	(2,263,041)	-	-	(2,263,041)	-	-	0.0%
<b>Total Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 116,837</b>	<b>\$ 10</b>	<b>\$ 116,847</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ (32,632)</b>	<b>\$ 74,069</b>	<b>\$ 119,899</b>	<b>\$ (17,936)</b>	<b>\$ 143,400</b>	<b>\$ 12,243</b>	<b>\$ 131,157</b>	<b>1071.3%</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND NET INCOME**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
**FOR FISCAL YEAR 2015 AS OF OCTOBER 31, 2014**  
**(PRELIMINARY AND UNAUDITED)**

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
<b>Operating Revenues:</b>						
Closing Fees	579,620	-	-	-	579,620	25,000
Annual Fees	119,200	-	-	-	119,200	-
Administrative Service Fees	25,000	-	-	-	25,000	-
Application Fees	22,428	-	-	-	22,428	-
Miscellaneous Fees	62	193,812	-	-	193,874	-
Interest Income-Loans	392,269	-	-	16,584	408,853	-
Other Revenue	832	-	-	-	832	-
<b>Total Operating Revenue:</b>	<b>\$ 1,139,411</b>	<b>\$ 193,812</b>	<b>\$ -</b>	<b>\$ 16,584</b>	<b>\$ 1,349,807</b>	<b>\$ 25,000</b>
<b>Operating Expenses:</b>						
Employee Related Expense	615,639	-	-	-	615,639	-
Professional Services	330,013	-	-	2,423	332,436	66
Occupancy Costs	102,776	-	-	-	102,776	-
General & Administrative	112,649	-	-	-	112,649	-
Interest Expense	-	-	-	1,428	1,428	-
Depreciation and Amortization	15,417	-	-	-	15,417	-
<b>Total Operating Expense</b>	<b>\$ 1,176,494</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,851</b>	<b>\$ 1,180,346</b>	<b>\$ 66</b>
<b>Operating Income(Loss)</b>	<b>\$ (37,083)</b>	<b>\$ 193,812</b>	<b>\$ -</b>	<b>\$ 12,733</b>	<b>\$ 169,461</b>	<b>\$ 24,934</b>
<b>Nonoperating Revenues (Expenses):</b>						
Interest and Investment Income	111,223	20,562	15,630	113,286	260,701	-
Realized Gain (Loss) on Sale of Investment	(494)	(16)	(17)	(1,654)	(2,181)	-
Net Appreciation (Depr) in fair value of	(47,093)	(10,464)	(7,093)	(39,366)	(104,016)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 63,636</b>	<b>\$ 10,082</b>	<b>\$ 8,520</b>	<b>\$ 72,266</b>	<b>\$ 154,504</b>	<b>\$ -</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ 26,553</b>	<b>\$ 203,894</b>	<b>\$ 8,520</b>	<b>\$ 84,999</b>	<b>\$ 323,965</b>	<b>\$ 24,934</b>
<b>Transfers:</b>						
Transfers in from other funds	2,379,888	-	-	-	2,379,888	-
Transfers out to other funds	(2,263,041)	-	-	(116,847)	(2,379,888)	-
<b>Total Transfers In (Out)</b>	<b>\$ 116,847</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (116,847)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Income (Loss)</b>	<b>\$ 143,400</b>	<b>\$ 203,894</b>	<b>\$ 8,520</b>	<b>\$ (31,848)</b>	<b>\$ 323,965</b>	<b>\$ 24,934</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
 October 31, 2014  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
<b>Assets and Deferred Outflows:</b>						
<b>Current Assets:</b>						
<b>Unrestricted:</b>						
Cash & cash equivalents	7,672,776	-	-	1,329,624	9,002,400	-
Investments	4,402,807	-	-	4,028,257	8,431,064	-
Accounts receivable, Net	279,640	-	-	-	279,640	-
Loans receivables, Net	728,347	-	-	21,000	749,347	-
Accrued interest receivable	361,889	-	-	45,239	407,128	-
Bonds and notes receivable	2,003,000	-	-	-	2,003,000	-
Due from other funds	61,060	-	-	30,109	91,169	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-
Prepaid Expenses	186,333	-	-	-	186,333	-
<b>Total Current Unrestricted Assets</b>	<b>\$ 15,695,852</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,454,229</b>	<b>\$ 24,150,081</b>	<b>\$ -</b>
<b>Restricted:</b>						
Cash & Cash Equivalents	1,280,252	81,386	35,021	2,069,476	3,466,135	60,094
Investments	-	1,836,144	1,447,754	263,631	3,547,529	-
Accrued interest receivable	-	20,406	12,109	5,542	38,057	-
Loans receivables, Net	-	42,479	-	70,640	113,119	-
<b>Total Current Restricted Assets</b>	<b>\$ 1,280,252</b>	<b>\$ 1,980,415</b>	<b>\$ 1,494,884</b>	<b>\$ 2,409,289</b>	<b>\$ 7,164,840</b>	<b>\$ 60,094</b>
<b>Total Current Assets</b>	<b>\$ 16,976,104</b>	<b>\$ 1,980,415</b>	<b>\$ 1,494,884</b>	<b>\$ 10,863,518</b>	<b>\$ 31,314,921</b>	<b>\$ 60,094</b>
<b>Non-current Assets:</b>						
<b>Unrestricted:</b>						
Investments	12,829,544	-	-	8,152,953	20,982,497	-
Loans receivables, Net	1,924,722	-	-	125,999	2,050,721	-
Bonds and notes receivable	20,682,037	-	-	-	20,682,037	-
<b>Total Noncurrent Unrestricted Assets</b>	<b>\$ 35,436,303</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,278,952</b>	<b>\$ 43,715,255</b>	<b>\$ -</b>
<b>Restricted:</b>						
Cash & Cash Equivalents	-	193,813	1	18,545,191	18,739,005	-
Investments	-	4,042,354	2,378,051	475,013	6,895,418	-
Loans receivables, Net	-	15,547,578	321,600	1,495,933	17,365,111	-
Bonds and notes receivable from primary government	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-
<b>Total Noncurrent Restricted Assets</b>	<b>\$ -</b>	<b>\$ 19,783,745</b>	<b>\$ 2,699,652</b>	<b>\$ 20,516,137</b>	<b>\$ 42,999,534</b>	<b>\$ -</b>
<b>Capital Assets</b>						
Capital Assets	839,084	-	-	-	839,084	-
Accumulated Depreciation	(731,602)	-	-	-	(731,602)	-
<b>Total Capital Assets</b>	<b>\$ 107,482</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,482</b>	<b>\$ -</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
 October 31, 2014  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	TOTAL IFA FUNDS	AGENCY FUNDS
<b>Total Noncurrent Assets</b>	\$ 35,543,785	\$ 19,783,745	\$ 2,699,652	\$ 28,795,089	\$ 86,822,271	\$ -
<b>Total Assets</b>	\$ 52,519,889	\$ 21,764,160	\$ 4,194,536	\$ 39,658,607	\$ 118,137,192	\$ 60,094
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
Payable from unrestricted current assets:						
Accounts payable	47,717	-	-	-	47,717	-
Accrued liabilities	97,060	-	-	-	97,060	-
Due to employees	89,452	-	-	-	89,452	-
Due to other funds	73,765	-	-	17,403	91,168	-
Other liabilities	-	-	-	-	-	60,094
Unearned revenue, net of accumulated amortization	146,719	-	-	-	146,719	-
<b>Total Current Liabilities Payable from Unrestricted Current Assets</b>	\$ 454,713	\$ -	\$ -	\$ 17,403	\$ 472,116	\$ 60,094
Payable from restricted current assets:						
Due to primary government	-	1,430,544	94,320	-	1,524,864	-
Accrued interest payable	-	-	-	3,865	3,865	-
Current portion of long term debt	-	-	-	59,390	59,390	-
<b>Total Current Liabilities Payable from Restricted Current Assets</b>	\$ -	\$ 1,430,544	\$ 94,320	\$ 63,255	\$ 1,588,119	\$ -
<b>Total Current Liabilities</b>	\$ 454,713	\$ 1,430,544	\$ 94,320	\$ 80,658	\$ 2,060,235	\$ 60,094
<b>Noncurrent Liabilities</b>						
Payable from unrestricted noncurrent assets:						
Accrued liabilities	22,222	-	-	-	22,222	-
<b>Assets</b>	\$ 22,222	\$ -	\$ -	\$ -	\$ 22,222	\$ -
Payable from restricted noncurrent assets:						
Due to primary government	-	15,622,269	321,600	-	15,943,869	-
Noncurrent portion of long term debt	-	-	-	369,080	369,080	-
<b>Total Noncurrent Liabilities Payable from Restricted Noncurrent</b>	\$ -	\$ 15,622,269	\$ 321,600	\$ 369,080	\$ 16,312,949	\$ -
<b>Total Noncurrent Liabilities</b>	\$ 22,222	\$ 15,622,269	\$ 321,600	\$ 369,080	\$ 16,335,171	\$ -
<b>Total Liabilities</b>	\$ 476,935	\$ 17,052,813	\$ 415,920	\$ 449,738	\$ 18,395,406	\$ 60,094
<b>Net Position:</b>						
Net Investment in Capital Assets	107,482	-	-	-	107,482	-
Restricted	-	4,507,453	3,770,096	22,418,034	30,695,583	-
Unrestricted	51,792,072	-	-	16,822,683	68,614,755	-
Current Change in Net Position	143,400	203,894	8,520	(31,848)	323,965	-
<b>Total Net Position</b>	\$ 52,042,954	\$ 4,711,347	\$ 3,778,616	\$ 39,208,869	\$ 99,741,785	\$ -



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer  
**Date:** November 13, 2014  
**Re:** Monthly Procurement Report

**ACTIVE SOLICITATIONS**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Debt Management Software Application	To be provided for December 2014 Board Meeting ( <i>IL Procure Code</i> ). <i>System demonstrations are tentatively scheduled for Nov 14th.</i>	3	12/14-11/17	TBD	N/A	N/A	N/A
Accounting and Auditing Services Pool	To be provided for December 2014 Board Meeting ( <i>IFA</i> ). <i>A follow up RFP will be issued for specialty audit services; debt verification and tax support services. No responses were received for these categories.</i>	3	11/14-10/17	\$ 225,000	N/A	N/A	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 Prior Contract Expense
Investment Advisor and/or Management Services	Per BOD Direction: To be provided for February 2015 Board Meeting ( <i>IFA</i> )	2	02/15-01/17	\$ -	N/A	N/A	N/A
Payroll and HR Benefit Services	To be provided for March 2015 Board Meeting ( <i>IL Procure Code</i> )	5	07/15-06/20	\$ 850,000	\$ 233,000	\$ 170,000	\$ 170,000
Accounting Software Maintenance and Support	To be provided for March 2015 Board Meeting ( <i>IL Procure Code</i> )	3	03/15-02/18	\$ 148,500	\$ 49,500	\$ 49,500	\$ 49,500
Loan Management and Servicing	Current Vendor: Mabsco Capital Inc. ( <i>IL Procure Code</i> )	3	07/15-06/18	\$ 300,000	\$ 300,000	\$ 158,662	\$ 52,887
Insurance Broker	Current Vendor: Mesirow Insurance Services, Inc. ( <i>IL Procure Code</i> )	3	07/15-06/18	\$ 68,700	\$ 68,700	\$ 68,700	\$ 22,900
Legislative Services	Current Vendor: Howard Kenner Gov't Consulting ( <i>IL Procure Code</i> )	3	07/15-06/18	\$ 180,000	\$ 180,000	\$ 180,000	\$ 60,000
Marketing Services	Current Vendors: Marj Halpern & Hill Knowlton ( <i>IL Procure Code</i> )	2	07/15-06/18	\$ 300,000	\$ 300,000	\$ 179,276	\$ 89,638

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

**UPCOMING RENEWALS**



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer  
**Date:** November 13, 2014  
**Re:** Monthly Procurement Report

<u>Services Provided</u>	<u>Vendor</u>	<u>Proposed Renewal Term (Yrs)</u>	<u>Start/End</u>	<u>Estimated NTE Value</u>	<u>Prior Contract NTE Value</u>	<u>Prior Contract Expense</u>	<u>Avg Yrly Prior Contract Expense</u>
Energy Efficiency Projects-No Fee to IFA	Hanson Professionals Services, Inc. (IFA)	5	02/15-02/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Siemens Industry Inc. (IFA)	5	03/15-03/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Johnson Controls, Inc. (IFA)	5	10/15-10/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Hill Mechanical Group (IFA)	5	10/15-10/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Utilities Dynamics, Inc. (IFA)	5	10/15-10/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Ameresco, Inc. (IFA)	5	11/15-11/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Honeywell International, Inc. (IFA)	5	11/15-11/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Kenny Construction (IFA)	5	11/15-11/20	\$ -	N/A	N/A	N/A
Energy Efficiency Projects-No Fee to IFA	Noresco, LLC (IFA)	5	11/15-11/20	\$ -	N/A	N/A	N/A
Insurance Broker for Energy Efficiency Projects-No Fee to IFA	Mesirow Insurance Services, INC (IFA)	5	10/15-10/20	\$ -	N/A	N/A	N/A
Insurance Broker for Energy Efficiency Projects-No Fee to IFA	AON Risk Services Central, INC. (IFA)	5	11/15-11/20	\$ -	N/A	N/A	N/A

**PROPOSED CHANGES TO IFA PROCUREMENT POLICY**

Per discussion with the Procurement Policy Board, Chief Procurement Officer, and the 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.



# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Lorrie Karcher  
Date: November 21, 2014  
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 project
- **Amount:** Up to \$509,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$173,400**
- **Calendar Year Summary:** (as of November 13, 2014)
  - Volume Cap: \$12,000,000
  - Volume Cap Committed: \$3,122,113
  - Volume Cap Remaining: \$8,877,887
  - Average Farm Acreage: 64
  - Number of Farms Financed: 15
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2014 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

<b>A. Project Number:</b>	<b>A-FB-TE-CD-8709</b>
<b>Borrower(s):</b>	<b>Justison, Thomas Frederick</b>
Borrower Benefit:	First Time Land Buyer
Town:	Butler, IL
<b>IFA Bond Amount:</b>	<b>\$173,400</b>
Use of Funds:	Farmland – 27.2 acres of farmland
Purchase Price:	\$346,800 / \$12,750 per acre
% Borrower Equity	5%
% USDA Farm Service Agency	45% ( <i>Subordinate Financing</i> )
% IFA	50%
Township:	Illini
Counties/Regions:	Macon / Central
Lender/Bond Purchase:	First National Bank of Litchfield / Kevin Niemann
<b>Legislative Districts:</b>	Congressional: 13
	State Senate: 48
	State House: 95

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule calculated at the initial interest rate, 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. The note will have a 30-year amortization and maturity.

**\$66,500,000 (not-to-exceed)**

November 21, 2014

**North Central College**

<b>REQUEST</b>	<p><b>Purpose:</b> Series 2014A Bond proceeds, together with certain other funds, will be used by <b>North Central College</b> (the “<b>College</b>” or “<b>Borrower</b>”) to: (i) currently refund and redeem all of the outstanding Variable Rate Demand Revenue Bonds, Series 1998 (ACI/Cultural Pooled Financing Program) (the “<b>Series 1998 Bonds</b>”) and all of the outstanding Adjustable Rate Demand Revenue Bonds, North Central College, Series 2008 (the “<b>Series 2008 Bonds</b>”) (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (ii) finance or reimburse the College for costs incurred in connection with the issuance of the Series 2014A Bond, the current refunding and redemption of the Series 1998 Bonds and the Series 2008 Bonds and the termination of an interest rate exchange agreement related to the Series 2008 Bonds if deemed desirable by the College (the “<b>2014A Financing Purposes</b>”); and</p> <p>Series 2014B Bond proceeds, together with certain other funds, will be used by the College to: (i) finance, refinance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its “educational facilities” (the “<b>Project</b>”), (ii) currently refund and redeem all of the outstanding Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program) (the “<b>Series 1999 Bonds</b>”) and, collectively with the Series 1998 Bonds and the Series 2008 Bonds, the “<b>Prior Bonds</b>”) (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (iii) finance or reimburse the College for costs incurred in connection with the issuance of the Series 2014B Bond and the current refunding and redemption of the Series 1999 Bonds if deemed desirable by the College (the “<b>2014B Financing Purposes</b>” and, collectively with the 2014A Financing Purposes, 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 ACTION</b>	<p>Final Bond Resolution</p> <p>Voting Record (October 16, 2014) – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 5 Absent (Leonard; O’Brien; Pedersen; Tessler; and Vaught); 0 Vacant.</p>																												
<b>MATERIAL CHANGES</b>	<p>Sizing of Series 2014A and Series 2014B Bonds updated in addition to timing update in connection with Series 2015 Bonds.</p>																												
<b>JOB DATA</b>	<table border="0"> <tr> <td style="text-align: center;">604 (FTE)</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">7</td> <td style="text-align: center;">New jobs projected (for new residence hall only)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">150</td> <td style="text-align: center;">Construction jobs projected (during 12-month construction period of new residence hall)</td> </tr> </table>	604 (FTE)	Current jobs	7	New jobs projected (for new residence hall only)	N/A	Retained jobs	150	Construction jobs projected (during 12-month construction period of new residence hall)																				
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Naperville / DuPage County / Northeast</li> <li>• Type of entity: The College, a 501(c)(3) organization incorporated under Illinois law, is an independent, co-educational institution of higher learning founded in 1861 that is governed by a Board of Trustees (see pp.6-8) and affiliated with the United Methodist Church.</li> <li>• At this time, the College is seeking Final Bond Resolution approval to refund all or a portion of the College’s outstanding IEFA Series 1998 (ACI/Cultural Pooled Financing Program) Bonds, IEFA Series 1999 (Cultural Pooled Financing Program) Bonds, and the College’s outstanding IFA Adjustable Rate Demand Revenue Bonds (North Central College) Series 2008. Additionally, the College will finance at this time the construction of a \$22 MM, 229-bed residence hall which will break ground in the Fall of 2014 and open in the Fall of 2015 to meet current demand. The new residence hall will consist of suite style units of four beds per suite / two bathrooms / one student per bedroom, and is expected to be approximately 98,000 square feet.</li> <li>• In the second quarter of calendar year 2015, the College will seek Final Bond Resolution approval to finance the construction of a new, \$60 MM state of the art science building which is scheduled to break ground in June 2015 and open in mid-2017. The new building will be approximately 130,000 usable square feet that will house all the lab sciences currently located in Kroehler Science Center plus mathematics, psychology, exercise science and computer science which are currently located in other buildings.</li> </ul>																												
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• The Borrower is a non-rated entity.</li> <li>• The IFA Bonds will be issued in three tranches (i.e., Series 2014A, Series 2014B and Series 2015) and purchased directly by BMO Harris Bank, N.A. and PNC Bank, N.A. (each, a “<b>Bond Purchaser</b>”). Each Bond Purchaser will be a secured lender and a direct bond investor.</li> </ul>																												
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• The IFA Bonds will be a general corporate obligation, secured by the College’s unrestricted revenues along with a negative pledge of North Central’s buildings or other property on campus, and an assignment of Science Center campaign pledges.</li> </ul>																												
<b>MATURITY/INTEREST RATES</b>	<ul style="list-style-type: none"> <li>• The IFA Bonds will mature no later than 30 years from the issuance date, with each tranche maturing in a range of 10 to 30 years.</li> <li>• The IFA Bonds will be sold in one or more fixed interest rates to be determined at pricing for an initial period of 10 years.</li> </ul>																												
<b>SOURCES AND USES</b>	<table border="0"> <thead> <tr> <th colspan="2" style="text-align: left;"><b>Sources:</b></th> <th colspan="2" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>Series 2014A Bonds</td> <td style="text-align: right;">\$34,300,000</td> <td>New Construction</td> <td style="text-align: right;">\$82,000,000</td> </tr> <tr> <td>Series 2014B Bonds</td> <td style="text-align: right;">32,200,000</td> <td>Refunding Escrow</td> <td style="text-align: right;">41,500,000</td> </tr> <tr> <td>Series 2015 Bonds</td> <td style="text-align: right;">30,000,000</td> <td>Architectural &amp; Engineering</td> <td style="text-align: right;">3,000,000</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>33,000,000</u></td> <td>Redemption Costs</td> <td style="text-align: right;">2,500,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>500,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$129,500,000</b></td> <td><b>Total</b></td> <td style="text-align: right;"><b>\$129,500,000</b></td> </tr> </tbody> </table>	<b>Sources:</b>		<b>Uses:</b>		Series 2014A Bonds	\$34,300,000	New Construction	\$82,000,000	Series 2014B Bonds	32,200,000	Refunding Escrow	41,500,000	Series 2015 Bonds	30,000,000	Architectural & Engineering	3,000,000	Equity	<u>33,000,000</u>	Redemption Costs	2,500,000			Costs of Issuance	<u>500,000</u>	<b>Total</b>	<b>\$129,500,000</b>	<b>Total</b>	<b>\$129,500,000</b>
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<b>Total</b>	<b>\$129,500,000</b>	<b>Total</b>	<b>\$129,500,000</b>																										
<b>RECOMMENDATION</b>	<p>Credit Review Committee recommends approval.</p>																												

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
November 21, 2014**

**Project: North Central College**

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**STATISTICS**

Project Number: E-PC-TE-CD-8700	Amount: \$66,500,000 (not-to-exceed amount of Series 2014A and Series 2014B Bonds)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton and Brad R. Fletcher
Locations: Naperville	County/Region: DuPage County/Northeast

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**BOARD ACTION**

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

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**VOTING RECORD**

Voting Record (October 16, 2014) – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 5 Absent (Leonard; O’Brien; Pedersen; Tessler; and Vaught); 0 Vacant.

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**PURPOSE**

Series 2014A Bond proceeds, together with certain other funds, will be used by **North Central College** (the “**College**” or “**Borrower**”) to: (i) currently refund and redeem all of the outstanding Variable Rate Demand Revenue Bonds, Series 1998 (ACI/Cultural Pooled Financing Program) (the “**Series 1998 Bonds**”) and all of the outstanding Adjustable Rate Demand Revenue Bonds, North Central College, Series 2008 (the “**Series 2008 Bonds**”) (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (ii) finance or reimburse the College for costs incurred in connection with the issuance of the Series 2014A Bond, the current refunding and redemption of the Series 1998 Bonds and the Series 2008 Bonds and the termination of an interest rate exchange agreement related to the Series 2008 Bonds if deemed desirable by the College (the “**2014A Financing Purposes**”); and

Series 2014B Bond proceeds, together with certain other funds, will be used by the College to: (i) finance, refinance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its “educational facilities” (the “**Project**”), (ii) currently refund and redeem all of the outstanding Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program) (the “**Series 1999 Bonds**”) and, collectively with the Series 1998 Bonds and the Series 2008 Bonds, the “**Prior Bonds**”) (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (iii) finance or reimburse the College for costs incurred in connection with the issuance of the Series 2014B Bond and the current refunding and redemption of the Series 1999 Bonds if deemed desirable by the College (the “**2014B Financing Purposes**” and, collectively with the 2014A Financing Purposes, the “**Financing Purposes**”).

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**IFA PROGRAM AND CONTRIBUTION**

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

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**VOLUME CAP**

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

**JOBS**

Current employment:	604 FTE	Projected new jobs:	7 (for new residence hall only)
Jobs retained:	N/A	Construction jobs:	150 (during 12-month construction period of new residence hall)

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	Series 2014A Bonds	\$34,300,000	Uses:	New Construction	\$82,000,000
	Series 2014B Bonds	32,200,000		Refunding Escrow	41,500,000
	Series 2015 Bonds	30,000,000		Architectural & Engineering	3,000,000
	Equity	<u>33,000,000</u>		Redemption Costs	2,500,000
				Costs of Issuance	<u>500,000</u>
<b>Total</b>		<b><u>\$129,500,000</u></b>	<b>Total</b>		<b><u>\$129,500,000</u></b>

Please refer to the Financing Summary section below for more information regarding the structure and timing of the IFA Series 2014A, Series 2014B and Series 2015 Bonds that will be purchased directly by BMO Harris Bank, N.A. and PNC Bank, N.A.

**FINANCING SUMMARY**

**Security:** The Bonds will be a general corporate obligation, secured by the College’s unrestricted revenues, along with a negative pledge of North Central’s buildings or other property on campus, and an assignment of Science Center campaign pledges.

**Structure:** The plan of finance contemplates the direct purchase of tax exempt debt in an amount not-to-exceed \$96.5 million to be issued in three tranches and purchased directly by BMO Harris Bank, N.A. and PNC Bank, N.A. (each, a “**Bond Purchaser**”). The Bond Purchaser will be the secured lender and the direct bond investor.

BMO Harris Bank, N.A. will direct-purchase two tranches, as described below:

- (i) \$34.3 million Series 2014A Bonds issued to refund the principal amount outstanding of the IEFA Series 1998 ACI/Cultural Pool Bonds (\$14.5 million), refund the principal amount outstanding of the IFA Series 2008 Revenue Bonds (\$17.0 million), pay related redemption costs (\$2.5 million) and pay applicable costs of issuance (\$300,000).
- (ii) \$30.0 million Series 2015 Bonds issued to construct a new, \$60.0 million state of the art science building, which is currently scheduled to open in mid-2017. The new building will be approximately 130,000 usable square feet and located on property currently owned by the College. The College intends to break ground in June 2015.

PNC Bank, N.A. will direct-purchase one tranche, as described below:

- (iii) \$32.2 million Series 2014B Bonds issued to construct a new, 229-bed residence hall on property currently owned by the College and zoned for that purpose which will break ground in the Fall of 2014 and open in the Fall of 2015 (\$22.0 million), refund the principal amount outstanding of the IEFA Series 1999 ACI/Cultural Pool Bonds (\$10.0 million), and pay applicable costs of issuance (\$200,000).

The Series 2014A, Series 2014B and Series 2015 Bonds will not be rated.

**Interest Rate:** The Series 2014A, Series 2014B and Series 2015 Bonds will be sold in one or more fixed interest rates to be determined at pricing. The interest rates on the Bonds will be set for an initial term of 10 years (with reset provisions thereafter to be determined prior to pre-closing).

**Underlying Debt Rating:** The College is a non-rated entity. Again, the IFA Series 2014A, Series 2014B and Series 2015 Bonds will not be rated.

Maturity: As presently contemplated, the IFA Bonds will be issued in three tranches, each maturing as described below:

Series 1998/2008 Refunding (Series 2014A)

- Not-to-exceed 13 years (i.e., 2027) and 24 years (i.e., 2038) on tranche of IFA Bonds issued to refund the IEFA Series 1998 ACI/Cultural Pool Bonds and IFA Series 2008 Revenue Bonds, respectively – thus, matching the interest-only amortization schedules (i.e., bullet maturities) of the bonds being refunded.

Residence Hall/Series 1999 Refunding (Series 2014B)

- Not-to-exceed 30 years on tranche of IFA Bonds issued to construct the residence hall and refund the IEFA Series 1999 ACI/Cultural Pool Bonds.

Science Center (Series 2015)

- Not-to-exceed 10 years on tranche of IFA Bonds issued to construct the science building.

Estimated

Closing Date: The IFA Series 2014A and Series 2014B Bonds will close in early December 2014 to refund the IEFA Series 1998 ACI/Cultural Pool Bonds, refund the IFA Series 2008 Revenue Bonds, refund the IEFA Series 1999 ACI/Cultural Bonds, and fund construction of the residence hall.

North Central College plans to return for consideration of a Final Bond Resolution for the Series 2015 Bonds in the second quarter of calendar year 2015 to fund construction of the science center.

Rationale:

During the competitive bid process that the College undertook in August 2014 among banks interested in financing its capital projects and refinancing its bonds, the College solicited tax-exempt and taxable proposals from potential bank partners. As a result, all but one bank responded that tax-exempt financing would be more economically beneficial to the College's financing and based on the one taxable proposal it received, the College determined that tax-exempt financing could be completed at a rate that would be approximately 1.00% lower than a taxable loan for the same fixed term. Based on the proposed \$96.5 million issuance amount (\$66.5 million to close in 2014 and \$30.0 million to close in 2015), these savings will be substantial and cumulative over the term of these financings. Savings attributable to tax-exempt financing will also free up College cash to be used for other purposes that will enhance the College and the surrounding community.

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### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Series 2014A Bond proceeds, together with certain other funds, will be used by **North Central College** (the "**College**" or "**Borrower**") to: (i) currently refund and redeem all of the outstanding Variable Rate Demand Revenue Bonds, Series 1998 (ACI/Cultural Pooled Financing Program) (the "**Series 1998 Bonds**") and all of the outstanding Adjustable Rate Demand Revenue Bonds, North Central College, Series 2008 (the "**Series 2008 Bonds**") (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (ii) finance or reimburse the College for costs incurred in connection with the issuance of the Series 2014A Bond, the current refunding and redemption of the Series 1998 Bonds and the Series 2008 Bonds and the termination of an interest rate exchange agreement related to the Series 2008 Bonds if deemed desirable by the College (the "**2014A Financing Purposes**"); and

Series 2014B Bond proceeds, together with certain other funds, will be used by the College to: (i) finance, refinance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its "educational facilities" (the "**Project**"), (ii) currently refund and redeem all of the outstanding Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program) (the "**Series 1999 Bonds**") and, collectively with the Series 1998 Bonds and the Series 2008 Bonds, the "**Prior Bonds**") (including, without limitation, financing both the principal and accrued interest component (if any) of the redemption price if deemed desirable by the College) and (iii) finance or reimburse the College for costs incurred in connection with the issuance of the Series 2014B Bond and the current refunding and redemption of the Series 1999 Bonds if deemed desirable by the College (the "**2014B Financing Purposes**" and, collectively with the 2014A Financing Purposes, the "**Financing Purposes**").

Estimated Project costs financed with Series 2014B Bond proceeds consist of the following:

New Construction (Residence Hall)	<u>\$22,000,000</u>
<b>Total New Project Costs</b>	<b><u>\$22,000,000</u></b>

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#### BUSINESS SUMMARY

Description: **North Central College** (the “College” or the “Borrower”) was established in 1861 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code. The University is governed by a Board of Trustees of up to 46 members (see Economic Disclosure Statement on pages 6-8).

Background: North Central College was founded in Plainfield, Illinois as North Western College. Shortly thereafter, the Board of Trustees undertook the challenge of reaching out to a growing number of prospective students. At that time the Board realized that a major shortcoming was Plainfield’s lack of direct railroad access. The citizens of Naperville, Illinois generously offered the College five acres of land within walking distance of its train station and \$25,000 to relocate from Plainfield to Naperville in 1870. Moving to this location enabled the College to successfully fulfill its mission and grow into the respected institution it is today.

Now, the College has grown into a 65-acre campus situated in Naperville’s residential Historic District, offering 12 residence halls, three dining halls and 41 total buildings. In fact, the College’s residence halls have reached maximum capacity due to strong demand at the thriving campus. The Borrower is an independent, comprehensive college of the liberal arts and sciences offers more than 55 undergraduate majors and graduate programming in seven areas (Business Administration, International Business Administration, Education, Leadership Studies, Liberal Studies, Management Information Systems and Web and Internet Applications).

As of 9/10/2014, North Central had approximately 2,935 FTE (Full Time Equivalent) students (2,775 undergraduate and 160 graduate students). For the academic 2013-2014 year, the College employed 147 full-time (106 tenure track) and 31 half-time faculty members. Moreover, 98% of tenure-track faculty members hold a Ph.D. or the terminal degree in their field. As the College has no teaching assistants, 68% of courses are taught by full-time faculty in an average class size of 21. The student/faculty ratio at the College was 15:1.

North Central College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

Affiliation: Every ten years the University Senate of the United Methodist Church reviews North Central College as a United Methodist-affiliated college. Most recently, a three-person team visited North Central on October 4-6, 2010, and evaluated the College in four areas: institutional integrity, program quality, management and financial health, and church relatedness. They wrote a report to the Commission on Institutional Review, and the Commission recommended that North Central College be “approved for continued listing, without qualification, as a United Methodist-related academic institution.” The University Senate of United Methodist Church approved the recommendation on January 27, 2011.

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## ECONOMIC DISCLOSURE STATEMENT

Applicants: North Central College, 30 N. Brainard Street, Naperville, IL 60540

Contact: Paul Loscheider, VP for Business Affairs; (T): 630-637-5678; E-mail: [ploscheider@noctrl.edu](mailto:ploscheider@noctrl.edu)

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

Location: The Projects are or will be owned by the College and are or will be located on land owned by the College on its main campus having the address commonly known as 30 North Brainard Street, Naperville, Illinois and which is further described as its property bordered generally by Sleight Street on the east, North Avenue on the north, Washington Street on the west and Hillside Road on the south (i.e., the "Campus"), including (i) a new residence hall and (ii) new science education center located on the College's Campus, all within Naperville, Illinois.

Project name: IFA Refunding Revenue Bonds (North Central College), Series 2014A  
IFA Revenue and Refunding Bonds (North Central College), Series 2014B  
IFA Revenue Bonds (North Central College), Series 2015

Board of Trustees/  
Administration: North Central College is governed by a Board of Trustees that may be comprised of up to 46 members, which meets three times a year, in October, February and May, and includes the President of the College, Troy D. Hammond, Ph.D. The president is assisted in his duties by an administrative cabinet consisting of five vice presidents.

### **Board of Trustees:**

**Steven H. Hoefft '73, Chair**

Attorney; McDermott, Will & Emery; Chicago, Illinois

**J. Thomas Gruenwald, Vice Chair, Academic Affairs**

Managing Partner, Alliant Formulations; Bedford Park, Illinois

**David W. Kelsch, Vice Chair, Business Affairs**

President & CEO; Advanced Data Technologies, Inc.; Naperville, Illinois

**Jeffrey K. Swallow '94, Vice Chair, Enrollment Management and Student Affairs**

President and CEO; Magnetrol International Incorporated; Aurora, Illinois

**Donald C. Sharp, Vice Chair, Institutional Advancement**

President and CEO; Coolfire Solutions; St. Louis, Missouri

**Kevin M. Gensler, Secretary**

President; Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan & Bernhard, Ltd.; Naperville, Illinois

**Esther T. Benjamin '90**

CEO, Africa Operations; Laureate Education; Baltimore, Maryland

**Kathryn Birkett**

Superintendent of Schools (Retired); Indian Prairie School District 204; Aurora, Illinois

**Erin L. Bishop '93**

Senior Corporate Counsel; Caterpillar Inc.; Nashville, Tennessee

**Robin B. Boren**

President, Pivotal Home Solutions; AGL Resources; Naperville, Illinois

**James J. Boyne**

Executive Director; Steamboat Springs Winter Sports Club; Steamboat Springs, Colorado

**Matthew S. Brill '97**

Derivatives Trader; Tourmaline Partners; Pottstown, Pennsylvania



**Sally Dyck**

Bishop, Northern Illinois Conference; The United Methodist Church; Chicago, Illinois

**Troy D. Hammond**

President; North Central College; Naperville, Illinois

**Nancy Hanson '79**

Former Teacher; Naperville Community Unit Dist. 203; Chicago, Illinois

**Thomas Harter, Sr.**

Chairman, President and CEO; Microdynamics Group; Naperville, Illinois

**Holly Humphrey '79**

Ralph W. Gerard Professor of Medicine and Dean for Medical Education;  
The University of Chicago Pritzker School of Medicine; Chicago, Illinois

**Peter P. Jones '76**

Chief Operating Officer; M-Cubed Information Systems, Inc.; Silver Spring, Maryland

**Hee-Soo Jung**

Bishop, Wisconsin Conference; The United Methodist Church; Sun Prairie, Wisconsin

**Michele Kenaga '73**

Vice President, Compensation; New York Life Insurance Company; New York, New York

**J. Raymond Kinney, III H'10**

Principal; Minuteman Press; Naperville, Illinois

**Susan Koranda '06**

Administrator; Rob A. Koranda Scholarship Foundation; Naperville, Illinois

**Ronald Lueptow '81**

Chief Financial Officer; ArrMaz Custom Chemicals, Inc.; Mulberry, Florida

**Joseph Mallon '80**

Partner (Retired); Deloitte & Touche, LLP; Chicago, Illinois

**James A. McDermet M'92**

Senior Vice President, Global and Americas Operations;  
Starbucks Corporation; Seattle, Washington

**Holly I. Myers '69**

President (Retired); Pediatric Insurance Consultants, Inc.; Naperville, Illinois

**Michael R. Naset**

Senior Partner (Retired); Accenture LLP; Naperville, Illinois

**Lori Nita '02 Novak**

Senior Vice President Hedge Fund Service; Northern Trust; Chicago, Illinois

**Jeffrey J. Oesterle '76**

Owner; Plaza Properties; Schererville, Indiana

**Leah Rippe**

Publisher; Naperville Magazine; Naperville, Illinois

**Steven Rubin**

Partner; Kitchens To Go; Naperville, Illinois

**Stephen T. Sellers '76**

CEO; Applied Noetics; Batavia, Illinois

**Scott Wehrli '91**

Secretary/Treasurer and Partner; Dukane Precast, Inc.; Naperville, Illinois

**Herman B. White Jr.,**

Senior Scientist; Fermi National Accelerator Laboratory; Batavia, Illinois

**Robert A. Wislow '67**

Chairman/CEO; U.S. Equities Realty; Chicago, Illinois

**Lee J. Woolley '85**

Region President, Mid-Atlantic Region; BNY Mellon Wealth Management; Chicago, Illinois

**Maria E. Wynne '77**

CEO; Leadership Greater Chicago; Chicago, Illinois

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**PROFESSIONAL & FINANCIAL**

Borrowers' Counsel:	Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan and Bernhard, Ltd.	Naperville, IL	Kathy West
Borrowers' Financial Advisor:	Longhouse Capital Advisors, LLC	La Grange Park, IL	Michael Boisvert Lindsay Wall
Auditor:	Grant Thornton LLP	Chicago, IL	
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke Becky Brueckel Leslie Cornell
Banks/ Bond Purchasers:	<u>Series 2014A and Series 2015</u> BMO Harris Bank, N.A.	Chicago, IL	Deb Capozzi Colleen Murphy
	<u>Series 2014B</u> PNC Bank, N.A.	Chicago, IL	Barb Fahnstrom Jeff Warner
BMO Harris Counsel:	Chapman & Cutler LLP	Chicago, IL	Carol Thompson
PNC Bank Counsel:	Thompson Coburn LLP	St. Louis, MO	Brandi M. Wilson
Paying Agent:	To be engaged		
Exiting LOC Bank			
ACI/Cultural Pool:	JPMorgan Chase Bank, N.A.	Chicago, IL	
Exiting LOC Bank			
Series 2008:	Bank of America, N.A.	Chicago, IL	
Exiting Trustee:	The Bank of New York Mellon Trust Company, N.A.	Chicago, IL	Merci Stahl
General Contractor(s):	Pepper Construction	Chicago, IL	
	Bulley & Andrews, LLC	Chicago, IL	
Architect(s):	Holabird & Root LLC	Chicago, IL	
	Buchar, Mitchell, Bajt Architects, Inc.	Joliet, IL	
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randall S. Kulat
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

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**LEGISLATIVE DISTRICTS**

Congressional:	6
State Senate:	21
State House:	41

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November 21, 2014

**\$365,000,000**  
**Advocate Health Care Network**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Advocate Health and Hospitals Corporation</b> (the “<b>Borrower</b>”) to (i) refinance all or a portion of the Authority’s Revenue Bonds, Series 2007 (Sherman Health Systems) (the “<b>Series 2007 Bonds</b>”) and its Revenue Bonds, Series 2008D (Advocate Health Care Network) (the “<b>Series 2008D Bonds</b>”) and, together with the Series 2007 Bonds, the “<b>Prior Bonds</b>”), the proceeds of which were used to finance, refinance or reimburse the Borrower, Advocate Condell Medical Center and/or Advocate Sherman Hospital for the costs of certain of their health facilities; (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower; (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds and the refinancing of the Prior Bonds.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>												
<b>BOARD ACTIONS</b>	Final Bond Resolution ( <i>one-time consideration</i> )												
<b>MATERIAL CHANGES</b>	This is the first time this project is being presented to the Board.												
<b>JOB DATA</b>	<table border="0"> <tr> <td>28,500 (Full Time Equivalents)</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	28,500 (Full Time Equivalents)	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected				
28,500 (Full Time Equivalents)	Current jobs	N/A	New jobs projected										
N/A	Retained jobs	N/A	Construction jobs projected										
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Locations: Cook, DuPage, Kane, Lake, McLean and Woodford Counties</li> <li>• Advocate Network Corporation and the Hospitals Corporation are the sole members of various not-for-profit corporations, including Advocate Condell Medical Center, Advocate North Side Health Network and Advocate Sherman Hospital. Collectively, these facilities constitute the Advocate Health Care Network (the “<b>System</b>”).</li> <li>• As a faith-based health care organization, affiliated with both the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System’s mission is to serve the health care needs of individuals, families and communities through a holistic philosophy.</li> <li>• The System provides a continuum of care through its ten acute care hospitals and a children’s hospital, with approximately 3,600 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout metropolitan Chicago, Bloomington-Normal (McLean County) and Eureka (Woodford County) areas.</li> </ul>												
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Fixed Rate Debt.</li> <li>• Expected underlying ratings of Aa2/AA/AA (Moody’s/S&amp;P/Fitch)</li> </ul>												
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 2054.</li> </ul>												
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td>IFA Bonds</td> <td><u>\$365,000,000</u></td> <td>Refinancing of Existing Debt</td> <td>\$357,900,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td><u>7,100,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$365,000,000</u></td> <td>Total</td> <td><u>\$365,000,000</u></td> </tr> </table>	IFA Bonds	<u>\$365,000,000</u>	Refinancing of Existing Debt	\$357,900,000			Cost of Issuance	<u>7,100,000</u>	Total	<u>\$365,000,000</u>	Total	<u>\$365,000,000</u>
IFA Bonds	<u>\$365,000,000</u>	Refinancing of Existing Debt	\$357,900,000										
		Cost of Issuance	<u>7,100,000</u>										
Total	<u>\$365,000,000</u>	Total	<u>\$365,000,000</u>										
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.												

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
November 21, 2014**

**Project: Advocate Health Care Network**

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**STATISTICS**

Project Number: H-HO-TE-CD-8711	Amount: \$365,000,000 (not-to-exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Nora O'Brien
County/Region: Cook, DuPage, Kane, Lake, McLean, And Woodford counties	City: Bloomington-Normal – McLean Eureka - Woodford Chicago – Cook Oak Lawn – Cook Park Ridge – Cook Hazel Crest – Cook Elgin – Kane Barrington – Lake Libertyville – Lake Downers Grove - DuPage

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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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**VOTING RECORD**

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

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**PURPOSE**

Bond proceeds will be used to (i) refinance all or a portion of the Authority's Revenue Bonds, Series 2007 (Sherman Health Systems) (the "**Series 2007 Bonds**") and its Revenue Bonds, Series 2008D (Advocate Health Care Network) (the "**Series 2008D Bonds**") and, together with the Series 2007 Bonds, the "**Prior Bonds**"), the proceeds of which were used to finance, refinance or reimburse the Borrower, Advocate Condell Medical Center and/or Advocate Sherman Hospital for the costs of certain of their health facilities; (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower; (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds and the refinancing of the Prior Bonds.

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**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 income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the borrower's interest expense.

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**VOLUME CAP**

501(c)(3) bond issues do not require Volume Cap.

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**JOBS**

Current employment:	28,500	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:	IFA Bonds	<u>\$365,000,000</u>	Refinancing of Existing Debt	\$357,900,000
			Cost of Issuance	<u>7,100,000</u>
	Total	<u>\$365,000,000</u>	Total	<u>\$365,000,000</u>

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**FINANCING SUMMARY/STRUCTURE**

Security:	General, unsecured obligations of the Members of the Obligated Group and any future Members of the Obligated Group. (Current members of the Obligated Group are: Advocate Health Care Network, Advocate Health and Hospitals Corporation, Advocate North Side Health Network, and Advocate Condell Medical Center.)
Structure:	Fixed Rate Debt.
Interest Rate:	To be determined on the day of pricing.
Interest Mode:	Fixed Rate Bonds.
Credit Enhancement:	Fixed Rate Bonds would be sold based on the underlying rating(s) of Advocate Health Care Network.
Maturity:	Not later than 2054
Rating:	Expected underlying ratings of Aa2/AA/AA (Moody's/S&P/Fitch)
Estimated Closing Date:	December 8, 2014

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

Bond proceeds will be used to (i) refinance all or a portion of the Authority's Revenue Bonds, Series 2007 (Sherman Health Systems) (the "**Series 2007 Bonds**") and its Revenue Bonds, Series 2008D (Advocate Health Care Network) (the "**Series 2008D Bonds**" and, together with the Series 2007 Bonds, the "**Prior Bonds**"), the proceeds of which were used to finance, refinance or reimburse the Borrower, Advocate Condell Medical Center and/or Advocate Sherman Hospital for the costs of certain of their health facilities; (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower; (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds and the refinancing of the Prior Bonds.

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**BUSINESS SUMMARY**

**Advocate Health Care Network** is an Illinois not-for-profit 501(c)(3) corporation ("**Advocate Network Corporation**") and is the sole member of the not-for-profit Advocate Health and Hospitals Corporation ("**Hospitals Corporation**"). Advocate Network Corporation and the Hospitals Corporation are, in turn, the sole members of various not-for-profit corporations, including Advocate Condell Medical Center, Advocate North Side Health Network and Advocate Sherman Hospital, the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Advocate Network Corporation and the Hospitals Corporation constitute the Advocate Health Care Network (the "**System**"). The System was created in January 1995 through the consolidation of two health systems, Evangelical Health System and Lutheran General Health System. As the parent of the System, Advocate Network Corporation currently has no material operations or activities of its own, apart from its ability to control subsidiaries.

As a faith-based health care organization, affiliated with the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System's mission is to serve the health care needs of individuals, families and communities through a holistic

philosophy. The System contributed \$661 million in charitable care and services to communities across Chicagoland and Central Illinois in 2013.

The System, named among the nation's top health systems, is the largest health system in Illinois and one of the largest health care providers in the Midwest. The System operates more than 250 sites of care, including 10 acute care hospitals, one critical access hospital, the state's largest integrated children's network, five Level I trauma centers (the state's highest designation in trauma care), two Level II trauma centers, one of the area's largest home health care companies and one of the region's largest medical groups. The System trains more primary care physicians and residents at its four teaching hospitals than any other health system in the state.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Applicant: Advocate Health Care Network  
Project Location: Multiple  
Borrower: Advocate Health and Hospitals Corporation  
3075 Highland Parkway Suite 600  
Downers Grove, IL 60515

Board Members  
(Advocate Health Care Network):  
Michele Richardson, *Chairperson*  
John F. Timmer, *Vice Chairperson*  
James H. Skogsbergh, *President and Chief Executive Officer*  
David B. Anderson  
Rev. Dr. Nathaniel Edmond  
Ronald L. Greene  
Mark M. Harris  
Gail D. Hasbrouck  
Rick Jakle  
Ronald J. Mallicoat, Jr.  
Laurie L. Meyer  
Bishop Wayne N. Miller  
Rev. Dr. Jorge L. Morales  
Clarence Nixon, Jr. Ph.D.  
Gary D. Stuck, D.O., FAAFP

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Polsinelli PC	Chicago	Janet Zeigler
Borrower's Fin. Advisor	Kaufman Hall	Chicago	Betty Hamilton
Auditor:	Ernst & Young	Chicago	Tadd Ingles
Bond Counsel:	Chapman and Cutler LLP	Chicago	Nancy Burke
		Chicago	David Kates
Senior Underwriter:	J.P. Morgan	Chicago	Timothy Wons
		New York	Lisa Rodgers
Co-Manager:	Loop Capital Markets, LLC	Chicago	Prakash Ramani
Co-Manager:	Cabrera Capital Markets, LLC	Chicago	Santino Bibbo
Underwriter's Counsel:	Dentons US, LLP	Chicago	Katie Ashton
Bond Trustee:	Wells Fargo Bank	Chicago	Gail Klewin
Issuer's Counsel:	Ungaretti and Harris	Chicago	Julie Seymour
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Jim Beck

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**LEGISLATIVE DISTRICTS**

Congressional: 2, 3, 5, 6, 9, 10, 13, 18  
State Senate: 6, 10, 13, 17, 18, 19, 24, 26, 33, 44, 53  
State House: 12, 20, 25, 33, 36, 38, 47, 51, 81, 88, 105

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**SERVICE AREA**

Advocate Health Care Network has facilities in the following locations in Illinois: Chicago (Advocate Illinois Masonic Medical Center), (Advocate Trinity Hospital); Libertyville (Advocate Condell Medical Center); Oak Lawn (Advocate Christ Medical Center and Advocate Hope Children's Hospital); Downers Grove (Advocate Good Samaritan Hospital); Barrington (Advocate Good Shepherd Hospital); Park Ridge (Advocate Lutheran General Hospital and Children's Hospital); Hazel Crest (Advocate South Suburban Hospital); Normal (Advocate BroMenn Medical Center); Eureka (Advocate Eureka Hospital); and Elgin (Advocate Sherman Hospital).

November 21, 2014

**\$13,500,000**  
**Kane County Senior Living**  
**(The Reserve of Geneva)**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Kane County Senior Living</b> (the “<b>Borrower</b>”) to (i) refund the outstanding Illinois Finance Authority Development Revenue Bonds, Series 2005 (The Reserve of Geneva Project) (the “<b>Series 2005 Bonds</b>”); (ii) provide funds for capital improvements and refurbishment of the existing project; (iii) provide funds for the acquisition, construction, renovation and refurbishing of various other capital improvements and equipment including a 4,500 square foot addition to provide for eight 2-bed assisted living units and 2 additional independent living units related to the project; and (iv) provide funds for the costs of issuance (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>	Final Bond Resolution ( <i>One-time consideration</i> )																																
<b>MATERIAL CHANGES</b>	This is the first time this project is being presented to the Board.																																
<b>JOB DATA</b>	<table border="0"> <tr> <td>5</td> <td>Current jobs</td> <td>9</td> <td>New jobs projected</td> </tr> <tr> <td>5</td> <td>Retained jobs</td> <td>10</td> <td>Construction jobs projected</td> </tr> </table>	5	Current jobs	9	New jobs projected	5	Retained jobs	10	Construction jobs projected																								
5	Current jobs	9	New jobs projected																														
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Geneva, Illinois (Kane County)</li> <li>• The Reserve of Geneva is a 60-unit residential facility for independent seniors located at 2508 Kaneville Road in Geneva. The project consists of a variety of common areas in addition to the residential units and provides an optional meal program, scheduled transportation and activities for its residents. The Reserve of Geneva is professionally managed by Essex Corporation, which has substantial expertise having designed, built and managed 30+ senior residences throughout the Midwest.</li> </ul>																																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• First Deed of Trust, Assignment of Rents &amp; Leases, Fixture Filing and 1<sup>st</sup> UCC filing on general business assets.</li> </ul>																																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Direct purchase by Access Bank and affiliates.</li> </ul>																																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>• Series A Bonds of \$10,500,000 with a five year fixed rate, adjustable every 5 years at the Federal Home Loan Bank 5 year advance rate + 1.70% with a term of 25 years and Series B Bonds of \$3,000,000 with a five year fixed rate, adjustable every 5 years at the Federal Home Loan Bank 5 year advance rate + 2.20% with a term of 15 years.</li> </ul>																																
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td>\$13,500,000</td> <td>Refinancing</td> <td>\$10,891,180</td> </tr> <tr> <td>Corporation Funds</td> <td><u>\$584,345</u></td> <td>Financing costs</td> <td>\$318,765</td> </tr> <tr> <td></td> <td></td> <td>Debt Service/ Replacement Reserve</td> <td>\$455,000</td> </tr> <tr> <td></td> <td></td> <td>Construction/ Refurbishment</td> <td>\$2,200,000</td> </tr> <tr> <td></td> <td></td> <td>Furniture/ Equipment</td> <td>\$100,000</td> </tr> <tr> <td></td> <td></td> <td>Other costs</td> <td><u>\$119,400</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$14,084,345</u></b></td> <td><b>Total</b></td> <td><b><u>\$14,084,345</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$13,500,000	Refinancing	\$10,891,180	Corporation Funds	<u>\$584,345</u>	Financing costs	\$318,765			Debt Service/ Replacement Reserve	\$455,000			Construction/ Refurbishment	\$2,200,000			Furniture/ Equipment	\$100,000			Other costs	<u>\$119,400</u>	<b>Total</b>	<b><u>\$14,084,345</u></b>	<b>Total</b>	<b><u>\$14,084,345</u></b>
<b>Sources:</b>		<b>Uses:</b>																															
IFA Bonds	\$13,500,000	Refinancing	\$10,891,180																														
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<b>Total</b>	<b><u>\$14,084,345</u></b>	<b>Total</b>	<b><u>\$14,084,345</u></b>																														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																																



**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 November 21, 2014**

**Project: Kane County Senior Living (The Reserve of Geneva Project)**

**STATISTICS**

Project Number:	H-HO-TE-CD-8710	Amount:	\$13,500,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
City:	Geneva, IL	County/Region:	Kane County/Northeast

**BOARD ACTION**

Final Bond Resolution ( <i>One-time consideration</i> )	No IFA Funds at Risk
Conduit 501(c)(3) Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

**VOTING RECORD**

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

**PURPOSE**

Bond proceeds will be used by **Kane County Senior Living** (the "**Borrower**") to (i) refund the outstanding Illinois Finance Authority Development Revenue Bonds, Series 2005 (The Reserve of Geneva Project) (the "Series 2005 Bonds"); (ii) provide funds for capital improvements and refurbishment of the existing project; (iii) provide funds for the acquisition, construction, renovation and refurbishing of various other capital improvements and equipment including a 4,500 square foot addition to provide for eight 2-bed assisted living units and 2 additional independent living units related to the project; and (iv) provide funds for the costs of issuance (the "Financing Purposes").

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

501(c)(3) bond issues do not require Volume Cap.

**JOBS**

Current jobs:	5	New jobs projected:	9
Retained jobs:	5	Construction jobs projected:	10

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	\$13,500,000	Refinancing	\$10,891,180
Corporation Funds	<u>\$584,345</u>	Financing costs	\$318,765
		Debt Service /	
		Replacement Reserve	\$455,000
		Construction /	
		Refurbishment	\$2,200,000
		Furniture/ Equipment	\$100,000
		Other costs	<u>\$119,400</u>
<b>Total</b>	<b><u>\$14,084,345</u></b>	<b>Total</b>	<b><u>\$14,084,345</u></b>

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### FINANCING SUMMARY

Security:	First Deed of Trust, Assignment of Rents & Leases, Fixture Filing and 1 <sup>st</sup> UCC filing on general business assets.
Structure:	Series A Bonds of \$10,500,000 with a 5-year fixed rate, interest rate adjustable every 5 years at the Federal Home Loan Bank 5-year advance rate +1.7% with a 25 year term and Series B Bonds of \$3,000,000 with a 5-year fixed rate, adjustable every 5 years at the Federal Home Loan Bank 5-year advance rate +2.20% with a term of 15 years. Direct Purchase by Access Bank and affiliates.
Interest Mode:	Variable, adjusted every 5 years.
Maturity:	Series A Bonds - 25 years; Series B Bonds - 15 years
Rating:	The Reserve of Geneva is not rated.
Estimated Closing Date:	December, 2014

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### PROJECT SUMMARY (FINAL BOND RESOLUTION)

Bond proceeds will be used by **Kane County Senior Living** (the "**Borrower**") to (i) refund the outstanding Illinois Finance Authority Development Revenue Bonds, Series 2005 (The Reserve of Geneva Project) (the "Series 2005 Bonds"); (ii) provide funds for capital improvements and refurbishment of the existing project; (iii) provide funds for the acquisition, construction, renovation and refurbishing of various other capital improvements and equipment including a 4,500 square foot addition to provide for eight 2-bed assisted living units and 2 additional independent living units related to the project; and (iv) provide funds for the costs of issuance (the "Financing Purposes").

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### BUSINESS SUMMARY

Background: Kane County Senior Living d/b/a The Reserve of Geneva (the "**Borrower**") is an Illinois not-for-profit 501 (c)(3) organization that was incorporated on August 22, 2003 to provide residential facilities for the aged. The facilities are designed to meet the needs of the aged, including suitable housing, physical and mental health care, civic, cultural and recreational activities and an overall environment conducive to dignity and independence. The Reserve of Geneva is a three-story building with an underground parking garage designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all of the responsibility and liability that comes with home ownership.

The residential units are priced with entrance fees ranging from \$68,981 to \$293,580 and monthly fees ranging from \$1,583 to \$3,630. Prospective residents typically use equity generated from the sale of their home to pay the entrance fee. Residents have a meal plan available to them for an additional charge. The entrance fees are returned to residents (or their estate) upon leaving the community from payments made by new incoming residents.

Managing Agent: Essex Corporation ("**Essex**" or the "**Agent**"), a Nebraska corporation, is the property management agent pursuant to a management agreement with The Reserve of Geneva.

Essex Corporation has been active in designing, developing, constructing, marketing, financing and managing senior housing since its inception in 1976. The company offers its services to not-for-profit (or for-profit) sponsors on a bundled or unbundled basis and on a turn-key or joint venture format.

Essex has developed over 3,000 senior housing units in 11 states in the West and Midwest, in projects ranging in size from \$500,000 to \$25,000,000. Essex Corporation currently manages other projects similar to The Reserve of Geneva.

Investor: Access Bank has experience in the acquisition, holding, selling and otherwise dealing with federally tax-exempt mortgage revenue bonds which have been issued to provide permanent financing for senior housing properties. Access Bank was established in 2007 by investors and bank management and has quickly become a top performer in the market. The Access Bank team has over 200 years of combined banking experience specializing in commercial banking transactions mostly between \$500,000 and \$30,000,000 in size. Access Bank is considered "well capitalized" as defined by the federal guidelines with a strong balance sheet, limited credit losses, and is highly rated by its regulators. Access Bank has partnered with other regional banks as participants in this transaction, each with experience in tax-exempt mortgage revenue bonds.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Kane County Senior Living d/b/a The Reserve of Geneva  
Location: 2508 Kaneville Road, Geneva, IL 60134  
Project name: The Reserve of Geneva  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois  
Contact: Julie Bennett, Essex Corporation

Board Members: Ron Koepl, President & Director  
Charley Gill, Vice President, Treasurer & Director  
Ralph Little, Secretary & Director  
Alice Collins, Director  
Frankie J. Pane, Director  
Open Position, Director

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Kutak Rock, LLP	Omaha, NE	Howard Hahn
Bond Counsel:	Baird Holm	Omaha, NE	Charles Addy
Bond Purchaser:	Access Bank	Omaha, NE	Nathan Christ
Accountant:	Lutz & Company	Omaha, NE	Shawn Wederquist
Management Agent:	Essex Corporation	Omaha, NE	Kent Braasch
IFA Financial Advisor:	Sycamore Advisors	Chicago, IL	Melanie Shaker
Issuer's Counsel:	Hinshaw & Culbertson	Chicago, IL	Leslie Richards-Yellen

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**LEGISLATIVE DISTRICTS**

Congressional: 14  
State Senate: 25  
State House: 50

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**SERVICE AREA**

The Reserve of Geneva's primary service area includes the city of Geneva, IL and its surrounding community.

November 21, 2014

**\$23,000,000**  
**IV Healthcorp, Inc.**  
**(Illinois Valley Community Hospital)**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>IV Healthcorp, Inc.</b> (the “<b>Corporation</b>” or the “<b>Borrower</b>”) for the benefit of the Borrower and <b>Illinois Valley Community Hospital</b> (“<b>IVCH</b>” or the “<b>Hospital</b>”) to provide the Borrower and the Hospital with all or a portion of the funds necessary to (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the “<b>Series 2009 Bonds</b>”) and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit Taxable 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																
<b>BOARD ACTIONS</b>	Preliminary Bond Resolution																
<b>MATERIAL CHANGES</b>	This is the first time this project has been presented to the IFA Board of Directors.																
<b>JOB DATA</b>	<table border="0"> <tr> <td>652 (561 FTEs)</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>652 (561 FTEs)</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	652 (561 FTEs)	Current jobs	N/A	New jobs projected	652 (561 FTEs)	Retained jobs	N/A	Construction jobs projected								
652 (561 FTEs)	Current jobs	N/A	New jobs projected														
652 (561 FTEs)	Retained jobs	N/A	Construction jobs projected														
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location (Peru / LaSalle / Northwest Region)</li> <li>• <b>Illinois Valley Community Hospital</b> (“<b>IVCH</b>”) is a 56-bed hospital that provides a wide range of inpatient, outpatient and emergency services. IVCH’s portfolio of healthcare services includes all the standard services expected of a hospital including general surgery, emergency medicine, and radiology.</li> </ul>																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• First mortgage on the property at 925 West Street, Peru, Illinois 61354.</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• Option of variable or fixed rate debt.</li> <li>• Bonds will be purchased by 4 banks: Midland States Bank, First State Bank, LaSalle State Bank and Peru Federal Savings Bank.</li> <li>• Bonds will mature no later than 2035.</li> </ul>																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>• Option of 20-year term and amortization with variable rate debt or 5, 10 or 20-year term with fixed-rate debt.</li> </ul>																
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align: right;"><u>\$23,000,000</u></td> <td>Refinancing</td> <td style="text-align: right;">\$22,570,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance:</td> <td style="text-align: right;"><u>\$430,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$23,000,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$23,000,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$23,000,000</u>	Refinancing	\$22,570,000			Cost of Issuance:	<u>\$430,000</u>	<b>Total</b>	<b><u>\$23,000,000</u></b>	<b>Total</b>	<b><u>\$23,000,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Bonds	<u>\$23,000,000</u>	Refinancing	\$22,570,000														
		Cost of Issuance:	<u>\$430,000</u>														
<b>Total</b>	<b><u>\$23,000,000</u></b>	<b>Total</b>	<b><u>\$23,000,000</u></b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 November 21, 2014**

**Project: IV Healthcorp, Inc.  
 (Illinois Valley Community Hospital)**

**STATISTICS**

Project Number: H-HO-TE-CD-8699	Amount: \$23,000,000 (Not-to-Exceed)
Type: Taxable 501(c)(3) Bonds	IFA Staff: Pam Lenane and Nora O'Brien
City: Peru	County/Region: LaSalle/Northwest

**BOARD ACTION**

Preliminary Bond Resolution	No IFA Funds at Risk
Conduit Taxable 501(c)(3) Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

**VOTING RECORD**

This is the first time this project is being presented to the IFA Board of Directors.

**PURPOSE**

Bond proceeds will be used to provide the Borrower and the Hospital with all or a portion of the funds necessary to (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the “**Series 2009 Bonds**”) and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance and refinance capital projects that will be used to further their charitable mission.

**VOLUME CAP**

501(c)(3) bond issues do not require Volume Cap.

**JOBS**

Current employment: 652 (561 FTEs)	Projected new jobs: N/A
	Construction jobs: N/A

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>	<b>Uses:</b>	
IFA Bonds	Refinancing	\$22,570,000
	Cost of Issuance:	<u>\$430,000</u>
<b>Total</b>	<b>Total</b>	<b><u>\$23,000,000</u></b>

**FINANCING SUMMARY**

**Security:** The Bonds will be secured by a first mortgage on the property at 925 West Street, Peru, Illinois 61354; Note issued pursuant to Master Trust Indenture.

**Structure:** The variable rate bonds will have a 20-year term and amortization. If the hospital chooses fixed-rate, there will be the options of a 5-year, 10-year or 20-year term that would each feature a 20-year amortization schedule.

**Interest Rate:** To be determined as of the date of pricing.

Interest Mode: Variable rate based on 1-month LIBOR. Fixed rate based on 5-year LIBOR swap, 10-year LIBOR swap or 20-year LIBOR swap dependent on whether 5, 10 or 20-year term is selected.

Credit Enhancement: None. (Bank direct purchase structure)

Maturity: No later than 2035

Rating: IVCH is not rated.

Estimated Closing Date: December 2014

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**PROJECT SUMMARY (PRELIMINARY BOND RESOLUTION)**

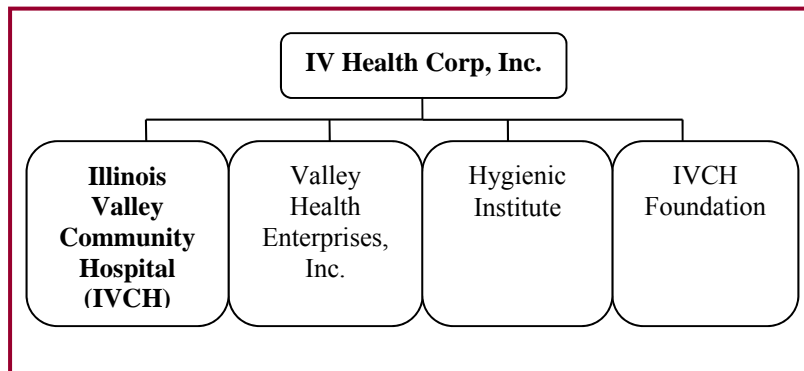
Bond proceeds will be used to provide the Borrower and the Hospital with all or a portion of the funds necessary to (i) refund all of the outstanding \$22,955,000 Illinois Finance Authority Revenue Bonds, Series 2009 (IV Healthcorp, Inc. Project) (the “**Series 2009 Bonds**”) and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2009 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

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**BUSINESS SUMMARY**

IVCH and its predecessors, St. Mary’s Hospital & Peoples Hospital, have provided healthcare services to the LaSalle County market since 1887. Located 50 miles northeast of Peoria and 90 miles southwest of Chicago, IVCH’s primary service area encompasses western LaSalle County, eastern Bureau County, and northeastern Putnam County, IL. IVCH is a 56-bed hospital that provides a wide range of inpatient, outpatient, and emergency services. FYE 2013 operating revenue totaled approximately \$78.3 million and assets totaled approximately \$82.3 million.

It should be noted that IVCH is part of IV Health Corp, Inc. Please see the organization structure below:



IVCH is governed by a volunteer board of directors. The board members represent various constituents, companies, and organizations in the community. The board is rich with experience and diversity, and is deeply rooted in the community. Therefore, the board members are strongly committed to the long-term success of the Hospital.

Illinois Valley Community Hospital and its predecessors—St. Mary’s Hospital and Peoples Hospital—have a history of caring for the people of the Illinois Valley that dates back more than 100 years. IVCH has a stated mission to provide exceptional care through a commitment to clinical excellence and compassion for every patient. The Hospital’s vision is to be a place where patients want to receive care, physicians want to practice, and employees want to work. In the pursuit of that mission, IVCH leadership is constantly improving hospital facilities and adding to its portfolio of services. Specifically, IVCH added a women’s health care center in 2000, a modernized ER, surgery, and admitting area in 2003, a special procedures unit 2004, and the IVCH Center for

Physical Rehabilitation and Aquatics in 2006. The IVCH Center for Physical Rehabilitation and Aquatics is a 15,000 square foot facility with over 30 pieces of innovative therapy equipment located away from the main hospital campus in the Miller Building of the Peru, IL YMCA.

In 2011, IVCH added a third floor to the East addition where its new Obstetrics and Intensive Care units were opened. IVCH's previous units were deteriorated and functionally obsolete. Specifically, the new Obstetrics Services department will further develop IVCH as a regional leader in obstetrics care. The Obstetrics Unit consists of a new labor-delivery-recovery suite, newborn nurseries and outpatient prenatal testing. The total cost of the obstetrics addition was approximately \$6.8 million. The total cost of the intensive care unit was approximately \$2 million. Other infrastructure (non-clinical) upgrades that occurred during this time were a new lobby, additional public space, on-call and housekeeping space and a helipad.

The board provides direction and oversight to the organization, with day to day activities delegated to the seasoned management team. The management team is led by the following individuals:

Chief Executive Officer – Tommy Hobbs – Mr. Hobbs has more than seventeen years of experience working in hospitals. He is the current CEO of both IV Health Corp, Inc. and Illinois Valley Community Hospital (2008 to Present). Prior to joining IVCH, Mr. Hobbs was the CEO of hospitals in South Dakota and Wisconsin. Mr. Hobbs has also worked as a management engineer for various hospitals and as manufacturing engineer for non-healthcare facilities. Mr. Hobbs holds a Bachelor of Science in Industrial Engineering from University of Arkansas and a Masters of Science Management from Capella University.

Chief Financial Officer– Stephen Davis – Mr. Davis has been the CFO of IVCH since 1989 and has over 32 years of experience in healthcare financial management. Prior to joining IVCH, Mr. Davis was the CFO at Hillsdale Community Health Center in Hillsdale, MI and McCray Memorial Hospital in Kendallville, IN during his eight year tenure with HCA Management Company. Prior to that, Mr. Davis was Assistant Controller at Knox Community Hospital in Mt. Vernon, OH. Mr. Davis holds a BS in accounting from Mt. Vernon Nazarene University.

IVCH provides a wide range of inpatient, outpatient and emergency services. IVCH's portfolio of healthcare services includes all the standard services expected of a hospital including General Surgery, Emergency Medicine, and Radiology. However, IVCH differentiates itself from other community hospitals by housing physicians encompassing more than 30 specialties. IVCH does not expect any of its physicians to retire in the next three years. See the table below for a sampling of the specialty services offered to the Illinois Valley community.

<b>IVCH - Services/Specialties Provided</b>		
Allergy/Immunology	Internal Medicine	Orthopedic Surgery
Anesthesiology	Nephrology	Pain Management
Cardiology	Neurology	Pathology
Dentistry	Neurosurgery	Pediatrics
Dermatology	Oncology	Plastic Surgery
Gastroenterology	Ophthalmology	Podiatry
Gynecology	Oral Surgery	Urology

Healthgrades, the leading independent care ratings company gave IVCH a top five-star rating for the quality of its joint replacement services (2011 and 2012) and orthopedic surgery (2011 and 2013). Additionally, it has received patient safety excellence awards (2011 and 2013) and patient experience awards (2011-2013). These awards are given to hospitals that are able to prevent infections, medical errors, and other complications, as well as display cleanliness, appropriate noise levels and post-discharge care instructions. IVCH strives to provide quality care as evidenced by these ratings which indicate IVCH's efforts to mitigate errors. As a result, IVCH has gained recognition in the community as a leading provider.

The bonds will be secured by a master note issued pursuant to a master trust indenture. The master note will be the joint and several obligation of the members of the obligated group (IV Health Corp, Inc., IVCH, Valley Health Enterprises, Inc., Hygienic Institute, and IVCH Foundation).

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Illinois Valley Community Hospital  
 Location: 925 West Street, Peru, IL 61354  
 Project name: Illinois Valley Community Hospital (Series 2014)  
 Organization: 501(c)(3) Not-for-Profit Corporation  
 State: Illinois  
 Contact: Stephen Davis; [Stephen.Davis@ivch.org](mailto:Stephen.Davis@ivch.org)

Board of Directors: Both Kris Paul and James Loveland have been on the Board of Directors since 2000.

Name	Title
Kris Paul	President
James Loveland	Vice President
Dick Martuzzo	Secretary
David Sickley	Treasurer
George Buckman	Board Member
James Clinard	Board Member
Geetha Dodda, MD	Board Member
William Etzenbach	Board Member
Joe Hogan	Board Member
Cindy Kurkowski	Board Member
Mike Rooney, OD	Board Member
William Vlastnik	Board Member

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Kavanagh Grumley & Gorbald LLC Joliet, IL	Richard Kavanagh
Bond Counsel:	Chapman and Cutler LLP Chicago, IL	Michael Mitchell
Placement Agent:	Lancaster Pollard & Co, LLC Columbus, OH	Steve Kennedy
Bank Purchaser (1):	Midland States Bank Effingham, IL	Jan Woodward
Bank Purchaser Counsel (1):	Ehrmann Gelhbach Badger Lee & Considine, LLC Dixon, IL	Gary Gehlbach
Bank Purchaser (2):	First State Bank Mendota, IL	Kirk Ross
Bank Purchaser (3):	LaSalle State Bank LaSalle, IL	Jeff Ellis
Bank Purchaser (4):	Peru Federal Savings Bank Peru, IL	Chris Vaske
IFA Financial Advisor:	Acacia Financial Group, Inc. Chicago, IL	Jim Beck

**LEGISLATIVE DISTRICTS**

Congressional: 16  
 State Senate: 38  
 State House: 76



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**SERVICE AREA**

The primary service area for IVCH is the Illinois Valley. Broadly defined, the valley encompasses the western portion of La Salle County, the eastern portion of Bureau County and the northeast portion of Putnam County. The three counties had a total estimated population of 153,182 as of 2012, with La Salle making up the majority at 73.7%. The population in La Salle County has decreased by 0.8% since 2010, but increased by 2.2% from 2000 to 2010.

Located in north central Illinois, La Salle County is situated 90 miles southwest of Chicago and 50 miles northeast of Peoria. Its economy is based primarily on the service, transportation (warehousing), agriculture, and retail sectors. La Salle County is also home to Starved Rock State Park, a popular tourist destination. The Illinois Valley encompasses the cities of LaSalle, Peru, Oglesby, Spring Valley, and a number of surrounding villages. The Illinois Valley has both international and regional firms and does not rely on one employer as an economic anchor to the community.

Economic data for La Salle County shows median income is \$49,414, which is slightly below the median of \$52,967 for Illinois, but common among rural communities in the state. Poverty rates are 10.4% which is below Illinois's average of 13.1%, suggesting IVCH's patient base is more likely to be covered by Medicare or private insurance.

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: November 21, 2014

Re: Resolution Authorizing Amendment to Agreements Related to Illinois Finance Authority's \$10,000,000 (Maximum Principal Amount) Industrial Development Revenue Bond (Sterling Lumber Company Project) Series 2014, and Related Matters  
IFA File Number: I-ID-TE-CD-8645

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### Request:

**Sterling Lumber Company**, an Illinois corporation ("**Sterling**"), **SLC-Phoenix, LLC**, an Illinois limited liability company ("**SLC**" and together with Sterling, collectively, the "**Borrower**" or individually, a "**Borrower**"), and First Midwest Bank, an Illinois banking corporation (the "**Purchaser**") are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to Bond and Loan Agreement among the Authority, the Borrower and the Purchaser (the "**First Amendment**") and related documents to effectuate the addition of optional and/or mandatory tender provisions affording the Purchaser the right to tender the Authority's Industrial Development Revenue Bond (Sterling Lumber Company Project), Series 2014 (the "**Bond**") at the expiration of certain interest rate periods.

The Bond closed as of May 28, 2014 and remains owned in whole by First Midwest Bank. It was the intent of the parties when the Bond and Loan Agreement was executed that the Bond and Loan Agreement contain such provisions.

### Impact:

On or prior to each of June 1, 2015, June 1, 2020 (except if the Bond is then in the Fixed Rate Mode in which case there shall be no changing of the Mode on June 1, 2020), June 1, 2025 and June 1, 2030, the Borrower notifies the Purchaser of its selection of one of various interest rate modes to become effective for the five-year period commencing as of the following June 5. As a result of this technical amendment, the Purchaser may exercise optional and/or mandatory tender provisions to exit the transaction at the expiration of these interest rate periods. Consistent with historical practice, there will be no fee for this technical amendment.

### Background:

The Authority issued its Bond on May 28, 2014 with a portion of Bond proceeds (\$5,262,732) disbursed to the Borrower at closing and the remaining balance of Bond proceeds disbursed to the Borrower in the years 2015 and, as applicable, 2016 and 2017.

Bond proceeds are being used by the Borrower to finance a portion of the costs of the acquisition of land and the acquisition, substantial rehabilitation and equipping of an approximately 514,000 square foot manufacturing facility located at 501 E. 151<sup>st</sup> Street in Phoenix (Cook County), Illinois.

Sterling manufactures hardwood products including industrial crates, and industrial matting used at heavy construction sites. SLC-Phoenix, LLC is a special purpose affiliate owned by the principals of Sterling Lumber Company to own the real estate portion of the project financed with the Bond.

Sterling's payments relating to the IFA Series 2014 Industrial Development Revenue Bond are current and have been paid as scheduled.

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### PROFESSIONAL & FINANCIAL

#### Borrower's Financial

Advisor:	Total Capital Solutions, Inc.	Oak Park, IL	Tony Grant
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	First Midwest Bank, N.A.	Palos Heights, IL	Guy Weir
Bank Counsel:	Winston & Strawn LLP	Chicago, IL	Justin Podjasek

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**RESOLUTION NO. 2014-1121-AD\_\_**

**RESOLUTION AUTHORIZING AMENDMENT TO AGREEMENTS RELATED TO ILLINOIS FINANCE AUTHORITY'S \$10,000,000 (MAXIMUM PRINCIPAL AMOUNT) INDUSTRIAL DEVELOPMENT REVENUE BOND (STERLING LUMBER COMPANY PROJECT) SERIES 2014, AND RELATED MATTERS**

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

**WHEREAS**, the Authority issued its Industrial Development Revenue Bond (Sterling Lumber Company Project), Series 2014 (the "**Bond**") in an aggregate principal amount not to exceed \$10,000,000 and loaned the proceeds thereof to **STERLING LUMBER COMPANY**, an Illinois corporation (the "**Corporation**") and its affiliate, **SLC- PHOENIX, LLC**, an Illinois limited liability (the "**LLC**" and, together with the Corporation, the "**Borrower**") in order to finance a portion of the costs incurred in connection with the acquisition of land and an existing building located at 501 East 151<sup>st</sup> Street, Phoenix, Illinois, by the Borrower, the renovation of such building and the acquisition of machinery and equipment to be installed therein, all to be used as a wood products manufacturing facility to be owned and operated by the Borrower (the "**Project**"), and to pay certain expenses incurred in connection with the issuance of the Bond, all as permitted by the Act (collectively, the "**Financing Purposes**"); and

**WHEREAS**, the Bond was issued under a Bond and Loan Agreement (the "**Bond and Loan Agreement**") among the Authority, the Borrower and First Midwest Bank (the "**Purchaser**"); and

**WHEREAS**, the parties to the Bond and Loan Agreement have indicated that, through a communications error, the Bond and Loan Agreement was not drafted with optional and/or mandatory tender provisions affording the Purchaser the right to tender the Bond at the expiration of certain interest rate periods and that it was the intent of the parties when the Bond and Loan Agreement was executed that the Bond and Loan Agreement contain such provisions, and therefore it is now necessary and desirable that the Bond and Loan Agreement be amended pursuant to a First Amendment to Bond and Loan Agreement among the Authority, the Purchaser and the Borrower (the "**First Amendment**") to provide for the addition of such provisions to the Bond and Loan Agreement, and any other provisions now deemed necessary and desirable by the parties to the Bond and Loan Agreement.

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

**Section 1. First Amendment to Bond and Loan Agreement.** The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, General Counsel, or any Assistant Executive Director, or any person duly appointed by the Members to serve in such offices on an interim basis (each an "**Authorized Officer**"), and the delivery and use, of the First Amendment. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the First Amendment. The First Amendment shall contain such provisions not inconsistent with this Resolution as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final form of the First Amendment.

**Section 2. Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more arbitrage and tax certificates, or other agreements, filings, elections or instruments or any additional documents as may be necessary to carry out and comply with the provisions of this Resolution and the First Amendment (including, without limitation, the filing of a Form 8038 if deemed necessary by Bond Counsel), and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

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

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

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