



February 11, 2016

**\$39,000,000
Christian Homes, Inc.**

REQUEST	<p>Purpose: Bond proceeds will be used by Christian Homes, Inc. to (i) refund Illinois Finance Authority Series 2007A Revenue Bonds outstanding in the amount of \$2.68 million, (ii) refund all or a portion of the outstanding principal amount of the City of Crown Point, Indiana Economic Development Revenue Refunding Bonds, Series 2007D outstanding in the amount of \$5.95 million, (iii) refund the callable portion of Illinois Finance Authority Series 2010 Revenue Bonds outstanding in the amount of \$8.48 million, (iv) payoff 2015 Bank Loan in the amount of \$13.0 million, \$3.0 million of which was spent on Indiana facilities, (v) fund a debt service reserve, and (vi) pay costs of issuance.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																								
BOARD ACTIONS	<p>Final Bond Resolution Voting Record (January 14, 2016) – Preliminary Bond Resolution – 11 Yeas; 0 Nays; 0 Abstain; 4 Absent; 0 Vacancies.</p>																								
MATERIAL CHANGES	<p>Christian Homes has received a rating of BBB- .</p>																								
JOB DATA	<table border="0"> <tr> <td>Current jobs 2,276</td> <td>New jobs projected N/A</td> </tr> <tr> <td>Retained jobs N/A</td> <td>Construction jobs projected N/A</td> </tr> </table>	Current jobs 2,276	New jobs projected N/A	Retained jobs N/A	Construction jobs projected N/A																				
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DESCRIPTION	<ul style="list-style-type: none"> • Illinois Locations: Carmi, Decatur, Forsyth, Lincoln, Springfield, Washington • Indiana Locations: Brownstown, Crown Point, Winfield • Christian Homes, Inc. (“Christian Homes”), a 501(c)(3) Senior Living organization was established in 1962 in Lincoln, Illinois. Christian Homes Obligated Group is a multi-facility system that has a total of 12 communities including approximately 1474 skilled nursing beds, 261 assisted living apartments, and 383 independent living apartment and garden homes located at senior communities in Illinois, Indiana, Iowa, and Missouri. 																								
CREDIT INDICATORS	<ul style="list-style-type: none"> • The Bonds will be fixed rate bonds sold through a public offering. Fitch Ratings awarded the Bonds a “BBB-” rating with a stable outlook on February 3, 2016. 																								
SECURITY	<ul style="list-style-type: none"> • Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings. 																								
MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than May 15, 2040. 																								
SOURCES AND USES ESTIMATED	<table border="0"> <thead> <tr> <th colspan="2">Sources:</th> <th colspan="2">Uses:</th> </tr> </thead> <tbody> <tr> <td>IFA Series 2016 Bonds</td> <td>\$32,435,000</td> <td>Refunding</td> <td>\$17,253,083</td> </tr> <tr> <td>Trustee-Held Funds</td> <td>\$1,424,538</td> <td>Bank Loan</td> <td>\$13,000,000</td> </tr> <tr> <td>Equity</td> <td><u>\$216,675</u></td> <td>Debt Service Reserve Fund</td> <td>\$2,952,473</td> </tr> <tr> <td></td> <td></td> <td>*Costs of Issuance</td> <td><u>\$870,657</u></td> </tr> <tr> <td>Total</td> <td><u>\$34,076,213</u></td> <td>Total</td> <td><u>\$34,076,213</u></td> </tr> </tbody> </table> <p><i>*Preliminary Estimate</i></p>	Sources:		Uses:		IFA Series 2016 Bonds	\$32,435,000	Refunding	\$17,253,083	Trustee-Held Funds	\$1,424,538	Bank Loan	\$13,000,000	Equity	<u>\$216,675</u>	Debt Service Reserve Fund	\$2,952,473			*Costs of Issuance	<u>\$870,657</u>	Total	<u>\$34,076,213</u>	Total	<u>\$34,076,213</u>
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RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																								

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 February 11, 2016**

Project: Christian Homes, Inc.

STATISTICS

Project Number: 12317	Amount:	\$39,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Illinois Locations: Carmi, Decatur, Forsyth Lincoln, Springfield, Washington	Illinois Counties:	White, Macon, Logan Sangamon, Tazewell
Indiana Locations: Brownstown, Crown Point, Winfield		

Note: These are Christian Homes, Inc. sites that benefit from the subject financing.

BOARD ACTION

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

PURPOSE

The proceeds will be used by Christian Homes to (i) refund Illinois Finance Authority Series 2007A Revenue Bonds outstanding in the amount of \$2.68 million, (ii) refund all or a portion of the outstanding principal amount of the City of Crown Point, Indiana Economic Development Revenue Refunding Bonds, Series 2007D outstanding in the amount of \$5.95 million, (iii) refund the callable portion of Illinois Finance Authority Series 2010 Revenue Bonds outstanding in the amount of \$8.48 million, (iv) payoff 2015 Bank Loan in the amount of \$13.0 million, \$3.0 million of which was spent on Indiana facilities, (v) fund a debt service reserve, and (vi) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Series 2016 Bonds	\$32,435,000	Refunding	\$17,253,083
Trustee-Held Funds	\$1,424,538	Bank Loan	\$13,000,000
Equity	<u>\$216,675</u>	Debt Service Reserve Fund	\$2,952,473
		*Costs of Issuance	<u>\$870,6567</u>
Total	<u>\$34,076,213</u>	Total	<u>\$34,076,213</u>

**Preliminary Estimate*

JOBS

Current employment: 2,276	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

FINANCING SUMMARY

Credit Enhancement: None

Structure: Fixed rate, tax-exempt serial and term bonds sold through a public offering by Ziegler based on the underlying rating of the Borrower.

Interest Rate: To be determined on the day of pricing.

Interest Rate Modes: Fixed through final maturities.

Underlying Ratings: The Bonds will be fixed rate bonds sold through a public offering. Fitch Ratings awarded the Bonds a “BBB-” rating with a stable outlook on February 3, 2016.

Maturity: No later than May 15, 2040

Estimated Closing Date: March 2015

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds will be used by Christian Homes to (i) refund Illinois Finance Authority Series 2007A Revenue Bonds outstanding in the amount of \$2.68 million, (ii) refund all or a portion of the outstanding principal amount of the City of Crown Point, Indiana Economic Development Revenue Refunding Bonds, Series 2007D outstanding in the amount of \$5.95 million, (iii) refund the callable portion of Illinois Finance Authority Series 2010 Revenue Bonds outstanding in the amount of \$8.48 million, (iv) payoff 2015 Bank Loan in the amount of \$13.0 million, \$3.0 million of which was spent on Indiana facilities, (v) fund a debt service reserve, and (vi) pay costs of issuance.

BUSINESS SUMMARY

Background: Description of Business: Christian Homes, Inc. (“**Christian Homes**”), a 501(c)(3) Senior Living organization was established in 1962 in Lincoln, Illinois. Christian Homes Obligated Group (“**Obligated Group**”) is a multi-facility system comprised of 12 communities including approximately 1474 skilled nursing beds, 261 assisted living apartments, and 383 independent living apartment and garden homes located at senior communities in Illinois, Indiana, Iowa, and Missouri. The table below details the unit-mix for each community in the Obligated Group:

Obligated Group Communities	Location	Independent Living	Assisted Living	Skilled Nursing	Total
Washington Christian Village	Washington, IL	9		122	131
The Christian Village	Lincoln, IL	62		112	174
Hickory Point Christian Village	Decatur, IL	50	48	64	162
Fair Havens Christian Home	Decatur, IL	10		154	164
Shawnee Christian Nursing Center	Herrin, IL			159	159
Heartland Christian Village	Neoga, IL	8		71	79
Lewis Memorial Christian Village	Springfield, IL	46	20	171	237
Wabash Christian Retirement Center	Carmi, IL	11		156	167
Crown Point Christian Village	Crown Point, IN	24	50	146	220
Hoosier Christian Village	Brownstown, IN	13		97	110
Risen Son Christian Village	Council Bluffs, IA	90	62	102	254
Spring River Christian Village	Joplin, MO	60	81	120	261
		383	261	1474	2118

ECONOMIC DISCLOSURE STATEMENT

Applicant: Christian Homes, Inc.
Site Address: 200 N. Postville Dr.
Lincoln, IL 62656-1978
Contact: Susan McGhee, Chief Financial Officer; Phone: 314/587-7903
Website: <https://www.christianhomes.org/>
Project name: N/A
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Ownership/Board Members (501(c)(3)):

Name	Age	Position	Tenure on Board
Sewell, Ronald F.	75	Chairman	2008
Filing, Nicholas	68	Vice Chairman	2011
Carter, Billy D.	64	Treasurer	2007
Goodner, Terry	65	Secretary	2002
Crosby, Robert W.	75	Past Chairman	1998
Behrends, Mark	55	Director	1994
Burrell, Timothy (Tim)	48	Director	2014
Clark, Randy	53	Director	2007
Fitzgerald, Donald W.	62	Director	2013
Frasure, James S.	75	Director	2005
Gnuse, Steve	56	Director	2014
Kerin, Tom	70	Director	2014
Lash, Bill W.	78	Director	2001
Lincoln, Patricia	81	Director	2002
Vincent, Debra	57	Director	2014
Williams, Victor S. (Scott)	59	Director	2012
McGhee, Susan M. (<i>Ex-Officio</i>)	50	Assistant Treasurer	2007
Phillippe, Timothy F. (<i>Ex-Officio</i>)	63	President	2001

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dentons US LLP	Thomas K. Vandiver	St. Louis, MO
Auditor:	CliftonLarsonAllen LLP	Amanda Tinney	St. Louis, MO
Underwriter:	Ziegler	Will Carney	Chicago, IL
Bond Counsel:	Chapman and Cutler LLP	John F. Bibby	Chicago, IL
Underwriter's Counsel:	Thompson Coburn LLP	Sara E. Kotthoff	St. Louis, MO
Bond Trustee:	Wells Fargo Bank, N.A.	Gail Klewin	Chicago, IL
Issuer's Counsel:	Hinshaw & Culbertson LLP	Chicago, IL	Leslie Richards-Yellen
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional: 12, 13, 15, 18
State Senate: 44, 48, 50, 51, 55, 59
State House: 87, 88, 96, 99, 101, 109, 110, 117

SERVICE AREA

Obligated Group Communities	Location
Washington Christian Village	Washington, IL
The Christian Village	Lincoln, IL
Hickory Point Christian Village	Decatur, IL
Fair Havens Christian Home	Decatur, IL
Shawnee Christian Nursing Center	Herrin, IL
Heartland Christian Village	Neoga, IL
Lewis Memorial Christian Village	Springfield, IL
Wabash Christian Retirement Center	Carmi, IL
Crown Point Christian Village	Crown Point, IN
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