

June 11, 2012

\$26,000,000 (not-to-exceed)
University of St. Francis

REQUEST	<p>Purpose: Bond proceeds, together with certain other funds, will be used by University of St. Francis (the “University” or the “Borrower”) for the purposes of (i) currently refunding and redeeming all of the outstanding Will County Adjustable Rate Demand Revenue Bonds, University of St. Francis, Series 2005 (the “Series 2005 Bonds”), (ii) currently refunding and redeeming all of the outstanding Will County Tax-Exempt Variable Rate Demand Revenue Bonds (University of St. Francis Project), Series 2007 (the “Series 2007 Bonds”, and together with the Series 2005 Bonds, the “Prior Bonds”), and (iii) paying a portion of Bond issuance costs (collectively, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bond</p> <p>Extraordinary Conditions: None.</p>														
BOARD ACTION	Final Bond Resolution (One-time consideration)														
MATERIAL CHANGES	Not applicable. This is the first time this financing is being presented.														
JOB DATA	<table border="0"> <tr> <td style="padding-right: 20px;">315</td> <td>Current jobs</td> <td style="padding-left: 40px;">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>	315	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected						
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DESCRIPTION	<ul style="list-style-type: none"> ● Location: Joliet / Will County / Northeast ● Type of entity: The University, a 501(c)(3) organization incorporated under Illinois law, is a private, Catholic, co-educational institution of higher learning founded by the Congregation of the Third Order of St. Francis of Mary Immaculate in 1920 that is governed by a 31-member Board of Trustees. ● Proceeds of the Will County Series 2005 Revenue Bonds were used to (i) finance, refinance and reimbursed the University for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its facilities, (ii) refinance a Promissory Note, Series 1998 of the University, in the original principal amount of \$1,300,000, and securing the borrowing by the University of a portion of the proceeds of the Illinois Educational Facilities Authority Variable Rate Demand Revenue Bonds, Series 1998 (ACI/Cultural Pooled Financing Program). ● Proceeds of the Will County Series 2007 Revenue Bonds were used to (i) finance, refinance and reimburse the University for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its facilities. ● The refunding of the Series 2005 and Series 2007 Bonds will enable the University to convert from a Bank Letter of Credit structure to a Bank Direct Purchase structure. 														
CREDIT INDICATORS	<ul style="list-style-type: none"> ● The plan of finance contemplates the Bond to be purchased directly by North Shore Community Bank & Trust Co. (also “Wintrust Financial”, the “Bank” or “Bond Purchaser”). The Bank will be the secured lender and the direct bond investor. ● Given the anticipated Bank Direct Purchase structure for the IFA Series 2013 Bond, the Series 2013 Bond will not be rated. (USF is not currently rated by any rating agency.) 														
SECURITY	<ul style="list-style-type: none"> ● The Bank (as Bond Purchaser) will be secured by a general revenue pledge of the University. 														
MATURITY	<ul style="list-style-type: none"> ● The Bond will mature no later than 25 years from the issue date. ● The Bond will have an initial term of 10 years. The initial interest rate will be negotiated by the University and the Bank prior to closing based on prevailing market conditions and is currently estimated at between 2.00% and 3.00%. 														
SOURCES AND USES Estimated	<table border="0"> <thead> <tr> <th style="text-align: left;">Sources:</th> <th style="text-align: right;">Uses:</th> </tr> </thead> <tbody> <tr> <td>IFA Bond</td> <td style="text-align: right;">\$26,000,000</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>500,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$26,500,000</td> </tr> </tbody> </table> <table border="0" style="margin-left: 150px;"> <tr> <td>Refunding Escrow</td> <td style="text-align: right;">\$26,000,000</td> </tr> <tr> <td>Costs of Issuance</td> <td style="text-align: right;"><u>500,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$26,500,000</td> </tr> </table>	Sources:	Uses:	IFA Bond	\$26,000,000	Equity	<u>500,000</u>	Total	\$26,500,000	Refunding Escrow	\$26,000,000	Costs of Issuance	<u>500,000</u>	Total	\$26,500,000
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RECOMMENDATION	Credit Review Committee recommends approval.														

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2013**

Project: University of St. Francis

STATISTICS

Project Number:	N-NP-TE-CD-8625	Amount:	\$26,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Joliet	County/	
		Region:	Will County/Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Bond proceeds, together with certain other funds, will be used by **University of St. Francis** (the “**University**” or the “**Borrower**”) for the purposes of (i) currently refunding and redeeming all of the outstanding Will County Adjustable Rate Demand Revenue Bonds, University of St. Francis, Series 2005 (the “**Series 2005 Bonds**”), (ii) currently refunding and redeeming all of the outstanding Will County Tax-Exempt Variable Rate Demand Revenue Bonds (University of St. Francis Project), Series 2007 (the “**Series 2007 Bonds**”, and together with the Series 2005 Bonds, the “**Prior Bonds**”), and (iii) paying a portion of the costs of issuing the Bond, all as permitted under the Act (collectively, the “**Financing Purposes**”).

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 Borrower’s interest expense.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bond	\$26,000,000	Uses:	Refunding Escrow	\$26,000,000
	Equity	<u>500,000</u>		Cost of Issuance	<u>500,000</u>
	Total	<u>\$26,500,000</u>		Total	<u>\$26,500,000</u>

JOBS

Current employment:	315	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Structure/ Security:	The Bond will be purchased directly by North Shore Community Bank & Trust Co. (“ Wintrust Financial ”, the “ Bank ” or “ Bond Purchaser ”) and held as an investment. The Bank will be secured by a general revenue pledge of the University.
Interest Rate:	The Bank is expected to establish an initial interest rate for 10 years (with reset provisions thereafter), amortized over 25 years. The interest rate will be set at pre-closing based on prevailing market conditions, currently estimated at between 2.00% and 3.00%.
Underlying Debt Ratings:	The University is not a rated entity. (The Bond will be purchased directly by the Bank.)
Maturity:	2037 (estimated at up to 24 to 25 years from issuance date).
Estimated Closing Date:	June or July 2013
Rationale:	The proposed Bond will enable the University to fix its interest rate for a period of up to 10 years. Additionally, the new structure will reduce variable interest rate risk and eliminate Letter of Credit pricing and renewal risk.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds, together with certain other funds, will be used by **University of St. Francis** (the “**University**” or the “**Borrower**”) for the purposes of (i) currently refunding and redeeming all of the outstanding Will County Adjustable Rate Demand Revenue Bonds, University of St. Francis, Series 2005 (the “**Series 2005 Bonds**”), (ii) currently refunding and redeeming all of the outstanding Will County Tax-Exempt Variable Rate Demand Revenue Bonds (University of St. Francis Project), Series 2007 (the “**Series 2007 Bonds**”, and together with the Series 2005 Bonds, the “**Prior Bonds**”), and (iii) paying a portion of the costs of issuing the Bond, all as permitted under the Act (collectively, the “Financing Purposes”).

BUSINESS SUMMARY

Description:	<p>University of St. Francis (the “University” or the “Borrower”) was established in 1920 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.</p> <p>The University is governed by a 31-member Board of Trustees (see Economic Disclosure Statement on pp. 4-5).</p>
Background:	<p>The University of St. Francis was founded in 1920 by the Congregation of the Third Order of St. Francis of Mary Immaculate for the education of its own members. In 1925, under the name Assisi Junior College, the University began accepting women outside the congregation. With the start of the fall term of 1930, a senior college curriculum was formed and a new name, the College of St. Francis, was adopted. In 1971, the college became co-educational, and the first off-campus degree programs were started in the fall of 1972. In 1980, a master’s program in health services administration was offered followed in the early 1990’s by various other graduate offerings. In 1997, the College affiliated with Saint Joseph College of Nursing.</p> <p>The Board of Trustees of the College of St. Francis elected to move to university status and on January 1, 1998, the institution became the University of St. Francis.</p> <p>The University of St. Francis has undertaken a series of expansion and modernization projects in recent years. In 2004, the University purchased the vacated Motherhouse from the founding congregation, and has since renovated it into a facility that houses (i) a conference and meeting center (Solutions Resource Center), (ii) administrative offices (i.e., undergraduate admissions), and (iii) the Leach College of Nursing (“LCON”). The LCON provides students with high tech classroom space, skills lab, extensive computer support and a simulation lab for hands-on critical care training. The simulation lab, funded by a federal nursing grant, is outfitted to resemble</p>

various units in a hospital (and includes an emergency room, intensive care unit, and labor and delivery rooms).

In Summer 2005, the University renovated Marian Residence Hall (originally constructed in 1967). The building was upgraded with life-safety improvements, new restrooms, upgraded windows, wireless internet, community lounges, computer/study lounges, and new modular furniture in student rooms. The ground floor Abbey features a student commons area, including a TV room and game room.

Presently, the Borrower enrolls 3,145 students with a full-time faculty of 98. The Main Campus of the University of St. Francis is in the Cathedral Areas Preservation District, located near many of Joliet's most elegant and historic homes. The University's main campus encompasses 24 acres.

ECONOMIC DISCLOSURE STATEMENT

Applicant: University of St. Francis, 500 Wilcox Street, Joliet, IL 60435
Contact: Elizabeth Laken, Vice President Finance and Administration
(T) 815-740-3371; email: elaken@stfrancis.edu
Website: <http://www.stfrancis.edu/>
Location: 500 Wilcox Street, Joliet (Will County), IL 60435
Project name: IFA 501(c)(3) Revenue Refunding Bond (University of St. Francis Project) Series 2013
Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code
Board of Trustees: The University of St. Francis Board of Trustees oversees and guides the University in fulfillment of its educational mission and is composed of the following members:

Board of Trustees

Mr. J. D. Ross (Chairman)	Will-Grundy Medical Clinic
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Dr. M. Therese Southgate	Journal of the American Medical Association
Ms. Cheryl Stepney	Solution Design Group
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Mr. J. Bradley Webb	Packey Webb Ford
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Sr. Dolores Zemont, OSF	Congregation of the Sisters of St. Francis

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Presidents Emeritus

James A. Doppke, Ph.D.
John C. Orr, Ph.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kavanagh Grumley & Gorbald LLC	Joliet, IL	Paul Richards Richard Kavanagh
Auditor:	McGladrey LLP	Chicago, IL	
Borrower's Advisor:	Longhouse Capital Advisors	La Grange Park, IL	Michael Boisvert Lindsay Wall
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke Chris Walrath
Bank/Direct Bond Purchaser:	North Shore Community Bank & Trust Co. (Wintrust Financial Corp.)	Skokie, IL and Chicago, IL	Kandace Lenti Melissa Mancini
Bank/Purchaser's Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
IFA Counsel:	Holland & Knight LLP	Chicago, IL	Barb Adams
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional:	11
State Senate:	43
State House:	86
