

# 2016

## FISCAL YEAR IN REVIEW



**Wisconsin Health and Educational  
Facilities Authority**

**Presented to WHEFA Members:**

*James Dietsche, Chairperson*

*Tim Size, Vice Chairperson*

*Kevin Flaherty*

*Paul Mathews*

*James Oppermann*

*Pamela Stanick*

*Robert Van Meeteren*

**By WHEFA Staff:**

*Dennis Reilly, Executive Director*

*Tanya Coppersmith, Manager of Operations & Finance*

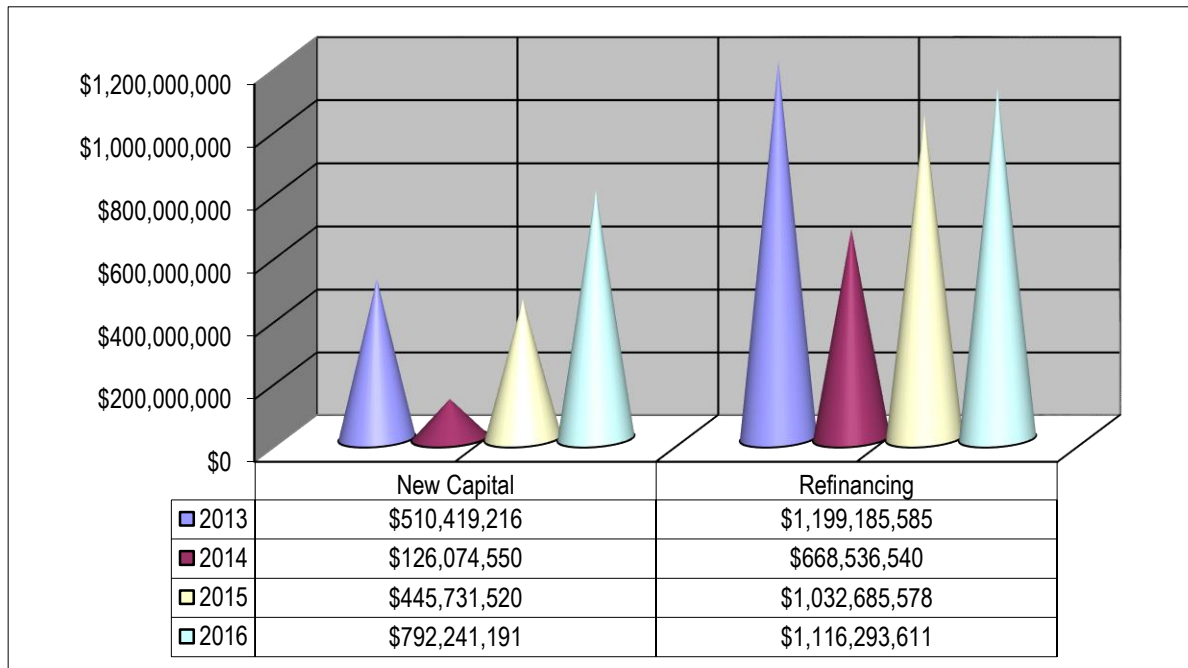
*Tatiana Graver, Manager of Finance*

*Stephanie Schirripa, Executive Assistant*

**37<sup>th</sup> Annual Meeting, June 28, 2016  
Brookfield, Wisconsin**

## Financing Highlights

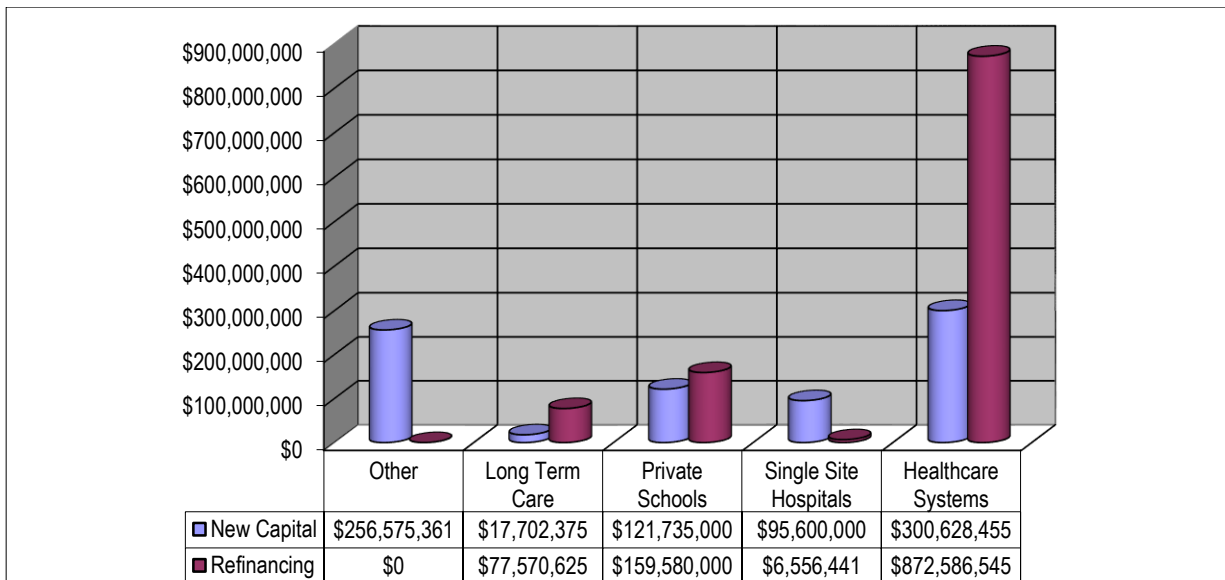
- 23 financings completed totaling \$1,908,534,802 (*largest dollar amount*).
- \$792,241,191 (42%) was for new capital.
  - The past three years of activity:*
  - \$445,731,520 (30%) was for new capital expenditures in 2015.
  - \$126,074,550 (16%) was for new capital expenditures in 2014.
  - \$510,419,216 (30%) was for new capital expenditures in 2013.
- \$1,116,293,611 (58%) was for refinancing.
  - The past three years of activity:*
  - \$1,032,685,578 (70%) was for refinancing in 2015.
  - \$668,536,450 (84%) was for refinancing in 2014.
  - \$1,199,185,585 (70%) was for refinancing in 2013 (*largest dollar amount*).
- Total net present value savings for the refinancings during fiscal year 2016 was approximately \$160 million.
- Economic impact of WHEFA financings during fiscal year 2016 was the creation of 113 direct jobs and 1,164 total jobs.
  - The past year of activity:*
  - 829 direct jobs created; 2,963 total jobs during fiscal year 2015.
- 10 financings for new capital only.  
9 financings for refinancing only.  
4 financings for both refinancing and new capital.



## Financing Highlights - Continued

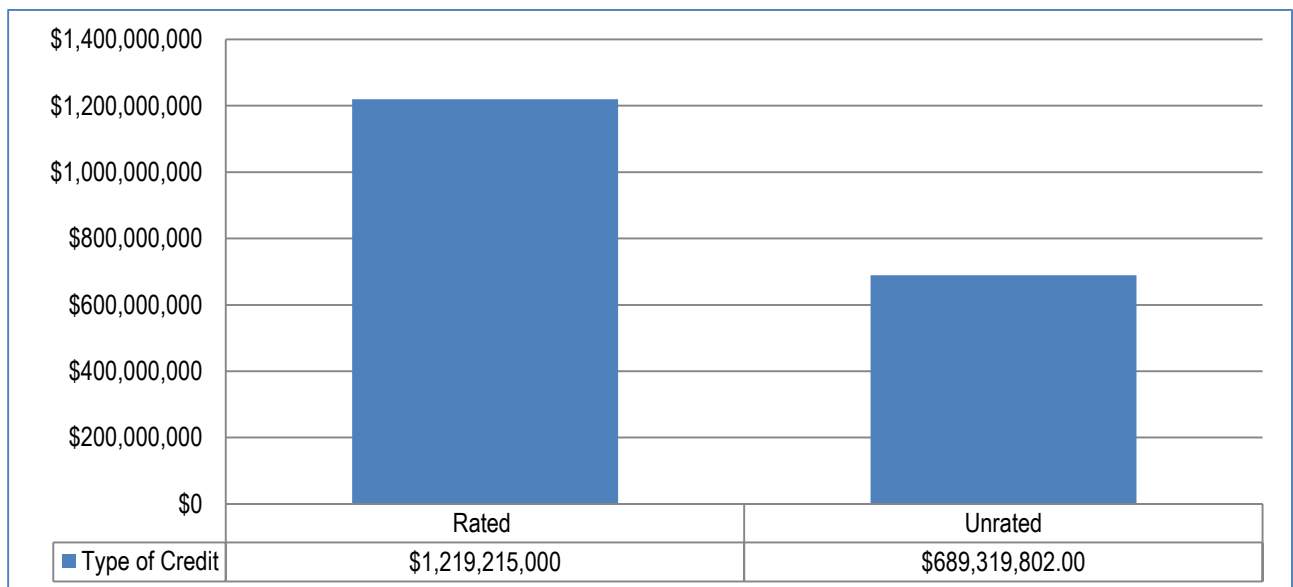
18 different non-profit borrowers benefited from the bond proceeds during fiscal year 2016, including:

- 4 Long-Term Care Facilities:  
*Bethany Lutheran Homes*  
*EastCastle Place*  
*New Glarus Home*  
*Saint John's Communities (2 financings)*
  
- 4 Multi-Site Acute Care Facilities:  
*Ascension*  
*Beloit Health System*  
*Gundersen Lutheran (2 financings)*  
*UnityPoint Health*
  
- 3 Single-Site Acute Care Facilities  
*Bay Area Medical Center (2 financings)*  
*Reedsburg Area Medical Center*  
*Stoughton Hospital Association*
  
- 4 Educational Facilities:  
*Indian Community School of Milwaukee*  
*Ripon College (2 financings)*  
*St. Norbert College (2 financings)*  
*The Medical College of Wisconsin*
  
- 3 Other Facilities:  
*Milwaukee Regional Medical Center Thermal Service*  
*REF Bridgeway Commons*  
*Society of St. Vincent de Paul Waukesha County*



## Financing Highlights - Continued

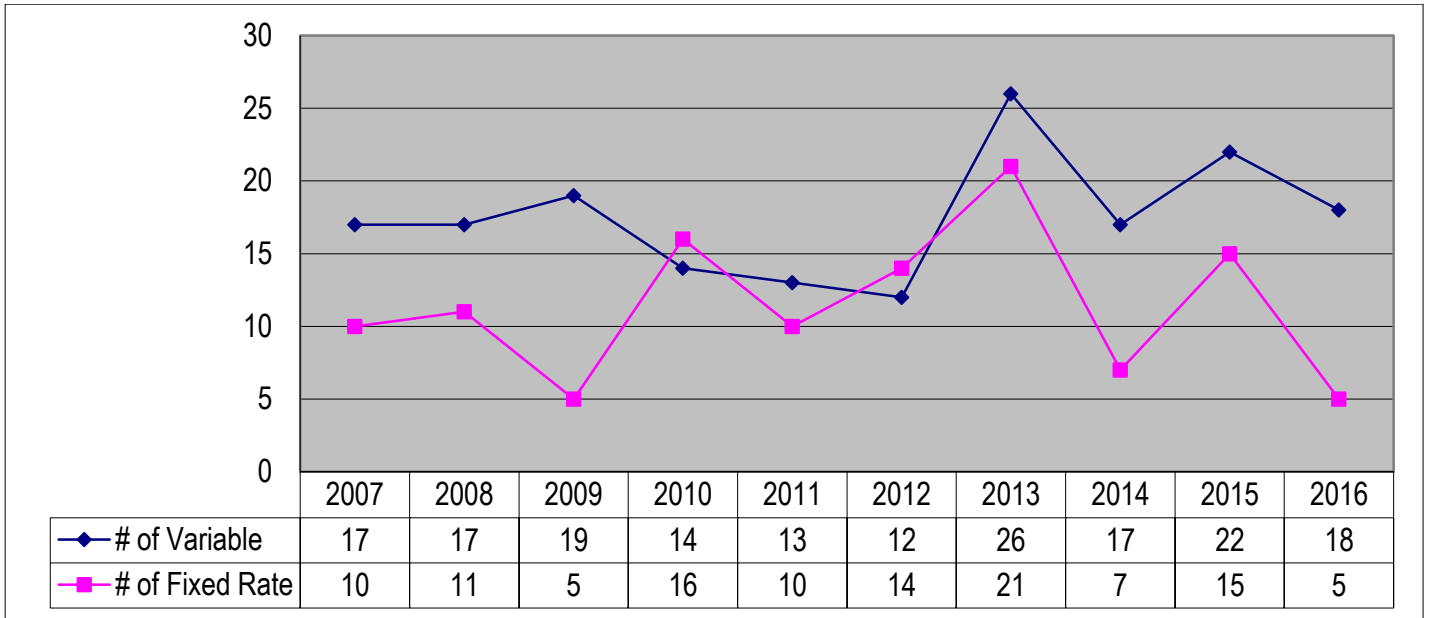
- 19 private placements totaling \$689,319,802.  
4 public placements totaling \$1,219,215,000.
  
- 3 financings totaling \$256,575,361 were completed for the following first time borrowers:  
*Milwaukee Regional Medical Center Thermal Service (Wauwatosa)*  
*REF Bridgeway Commons (Platteville)*  
*Society of St. Vincent de Paul Waukesha County (Waukesha, Oconomowoc)*
  
- 19 financings were unrated:  
*Bay Area Medical Center (2 financings)*  
*Bethany Lutheran Homes*  
*EastCastle Place*  
*Gundersen Lutheran (2 financings)*  
*Indian Community School of Milwaukee*  
*Milwaukee Regional Medical Center Thermal Service*  
*New Glarus Home*  
*Reedsburg Area Medical Center*  
*REF Bridgeway Commons*  
*Ripon College (2 financings)*  
*Saint John's Communities*  
*Society of St. Vincent de Paul Waukesha County*  
*St. Norbert College (2 financings)*  
*Stoughton Hospital Association*  
*UnityPoint Health*
  
- 4 financings were rated based upon the underlying credit of the borrower:  
*Ascension*  
*Beloit Health System*  
*Saint John's Communities*  
*The Medical College of Wisconsin*



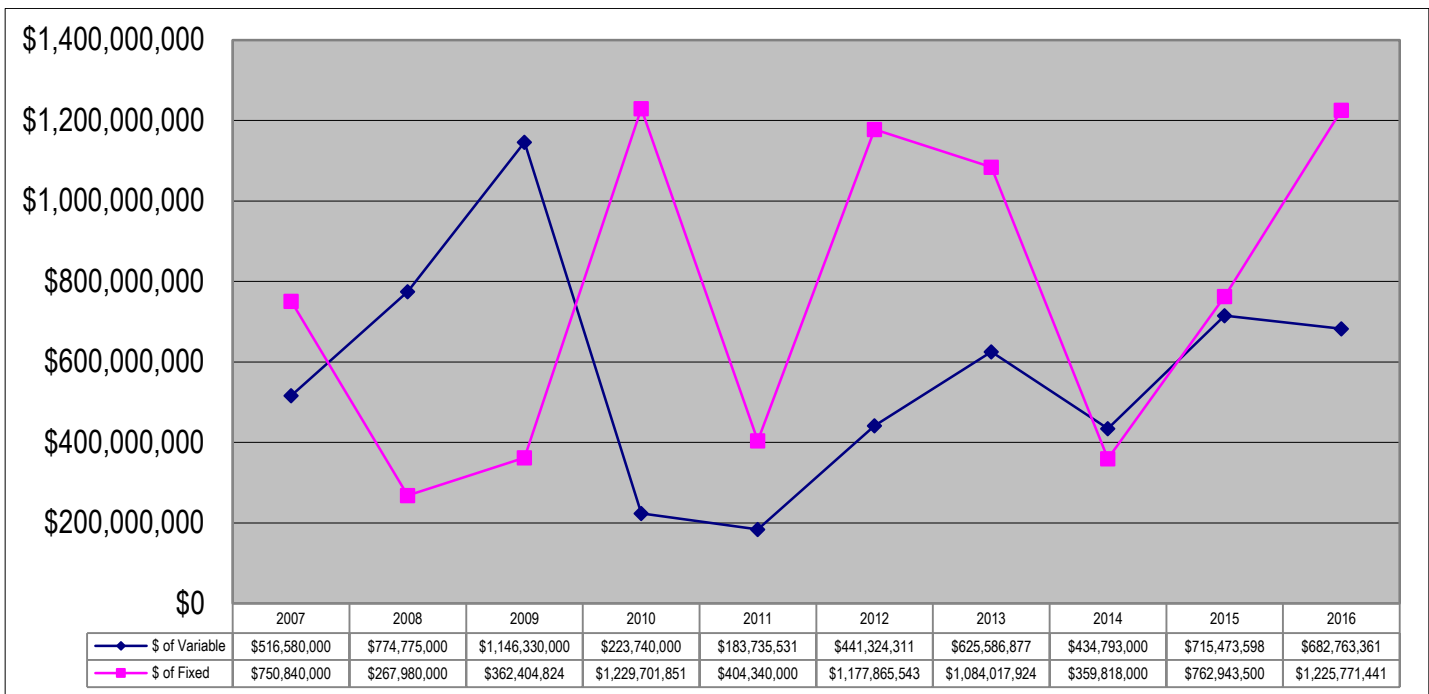
## Financing Highlights - Continued

- 18 issues totaling \$682,763,361 had a variable or reset interest rate.  
5 issues totaling \$1,225,771,441 had a fixed interest rate.

A quick look at the last 10-years of variable rate vs. fixed rate (#):

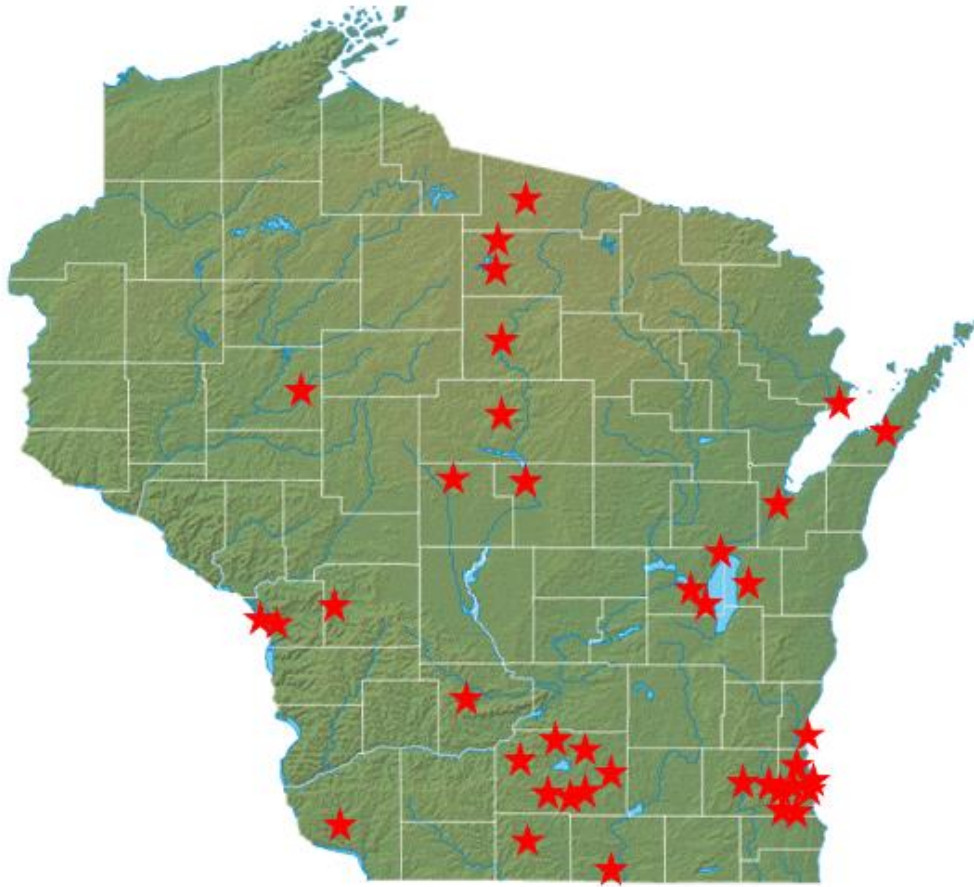


A quick look at the last 10-years of variable rate vs. fixed rate (\$):



## Financing Highlights - Continued

- Institutions at 40 different Wisconsin locations benefited from the bond proceeds.  
25 different counties throughout Wisconsin benefited from bond proceeds.  
10 institutions had less than 150 total beds or less than 3,000 students.



*Ascension (Appleton, Brookfield, Brown Deer, Chilton, Eagle River, Franklin, Glendale, Marshfield, Mequon, Milwaukee, Oshkosh, Pewaukee, Rhinelander, Stanley, Stevens Point, Sturgeon Bay, Tomahawk, Wauwatosa, Weston & Woodruff)*

*Bay Area Medical Center (Peshtigo)*

*Beloit Health System (Beloit, Janesville)*

*Bethany Lutheran Homes (Onalaska)*

*EastCastle Place (Milwaukee)*

*Gundersen Lutheran (La Crosse & Sparta)*

*Indian Community School of Milwaukee (Franklin)*

*Milwaukee Regional Medical Center Thermal Service (Wauwatosa)*

*New Glarus Home (New Glarus)*

*Reedsburg Area Medical Center (Reedsburg)*

*REF Bridgeway Commons (Platteville)*

*Ripon College (Ripon)*

*Saint John's Communities (Milwaukee)*

*Society of St. Vincent de Paul Waukesha County (Oconomowoc & Waukesha)*

*St. Norbert College (De Pere)*

*Stoughton Hospital Association (Stoughton)*

*The Medical College of Wisconsin (Milwaukee)*

*UnityPoint Health (DeForest, Fitchburg, Madison, Monona, Stoughton & Sun Prairie)*

## Financing Assistance

- Borrowers continue to utilize the WHEFA Financing Alternatives Program. The program is designed to assist smaller financings, first time borrowers and those who have not done a financing in a number of years. One borrower utilized this program during fiscal year 2016 (*Stoughton Hospital*). To-date, 105 borrowers have used this program since 1995.
- Assistance of a more general nature regarding eligibility and financing options is continually offered to all organizations throughout the year.

## Education and Communication

- Continue to maintain a strong education/communication program:
  - 19<sup>th</sup> Annual WHEFA Workshop - Hosted a workshop where approximately 162 participants from the industries we serve and the professionals we work with attended. A total of 193 people registered.
  - Quarterly Newsletter
  - Brochure
  - Annual Report
  - Website
  - Numerous speaker, articles and memorandum opportunities
  - News Advisory - An email and web posting is sent to the Governor and Legislators (state & federal) at each closing describing the financing or refinancing in their district and the tax-exempt financing process.

## Sponsorship

- WHEFA has created a program dedicated solely for the purpose of sponsoring conferences and providing grants for organizations that benefit our borrowers and the industries we serve each year. WHEFA provided sponsorship contributions totaling \$21,200 to the following 9 organizations during fiscal year 2016:
  - Council of Development Finance Agencies – Wisconsin State Roundtable
  - Healthcare Financial Management Association – Wisconsin Chapter
  - Healthcare Quality Coalition
  - LeadingAge Wisconsin
  - Milwaukee Charter School Advocates
  - Wisconsin Council of Religious & Independent Schools
  - Wisconsin Health News
  - Wisconsin Hospital Association
  - Wisconsin Technology Council

## Summary of Professional Services

### **BOND AND MASTER TRUSTEE SERVICES** (Ranked by number of financings):

<b>Bank</b>	<b>Bond Trustee</b>	<b>Master Trustee</b>
U.S. Bank	8	8
Bank of New York	3	3
Wells Fargo	1	2
No Trustee	11	10
<b>Total</b>	<b>23</b>	<b>23</b>

### **UNDERWRITERS AND LENDERS** (Ranked by number of financings):

<b>Lead Underwriter or Lender</b>	<b>Number of Issues</b>	<b>Total Amount</b>
BMO Harris Bank	4	\$112,656,441
National Exchange Bank & Trust	2	\$23,165,000
US Bank	2	\$125,000,000
JPMorgan Chase Bank	2	\$76,345,000
American Trust & Savings Bank	1	\$25,734,482
Associated Bank	1	\$24,000,000
BMO Harris Bank / US Bank	1	\$226,400,000
First Business Bank	1	\$10,000,000
First Midwest	1	\$22,738,000
JPMorgan / Loop Capital Markets / Robert W. Baird & Co.	1	\$157,805,000
Merchants Bank	1	\$14,000,000
Morgan Stanley / JPMorgan / Bank of America Merrill Lynch	1	\$1,019,750,000
Piper Jaffray	1	\$25,195,000
State Bank Financial	1	\$12,000,000
The Bank of New Glarus	1	\$12,840,000
U.S. Bancorp Investments	1	\$16,465,000
Wells Fargo	1	\$4,440,879
<b>Total</b>	<b>23</b>	<b>\$1,908,534,802</b>



## Summary of Professional Services - Continued

### **PLACEMENT AGENTS / FINANCIAL ADVISORS** (Ranked by number of financings):

<b>Lead Underwriter or Lender</b>	<b>Number of Issues</b>	<b>Total Amount</b>
Blue Rose Capital Advisors	4	\$60,510,000
Piper Jaffray	3	\$49,794,441
Ponder & Co.	3	\$40,000,000
Kaufman Hall	2	\$1,177,555,000
Wipfli	2	\$38,574,482
No Placement Agent / Financial Advisor	9	\$581,700,879
<b>Total</b>	<b>23</b>	<b>\$1,908,534,802</b>