



Capital Comments

A Quarterly Newsletter

WHEFA.com

Fall 2021



Dennis Reilly

Message from the Executive Director

WHEFA is a Great Resource

As I travel the state to talk and meet with various organizations, my overall message is clear – WHEFA is a great resource, please let us know how we can help.

Regardless of whether or not WHEFA is involved in the ultimate issuance of bonds for your particular project or refinancing, please consider WHEFA as a resource when researching and evaluating various financing options. Our mission is simple; to assist Wisconsin's nonprofit institutions to obtain access to low-cost capital in order to finance or refinance their building and equipment improvements and expansion needs. We realize tax-exempt financing will not always be the best plan of finance for your particular project, so we encourage nonprofits to review all available financing options.

When evaluating financing options, review the pros and cons of each and avoid focusing solely on the interest rate. All organizations grow and evolve over time, and it is important that you maintain as much flexibility as possible with your borrowings.

When contemplating a borrowing for a new money project or refinancing, please give WHEFA a call to discuss your needs. WHEFA is a great no cost resource. Regardless of your ultimate choice of a plan of finance, WHEFA is here to help you.

We hope you find this edition of the WHEFA Capital Comments to be informative and helpful.

Have a wonderful fall.

Kindest Regards,

Dennis P. Reilly
Executive Director

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Financing Spotlight

\$8,300,000

**WHEFA Bond Financing Helps Linden Oaks, LLC
Construct in Oshkosh**

Bonds Placed with First Bank N.A.



“We are thankful for the continued partnership with WHEFA to provide savings through the issuance of tax-exempt bonds. This opportunity has provided the ability to fund our living options for adults ages 55 and older.”

- Billie Jo Higgins,
Vice President Finance & Information Services
Evergreen Retirement Community, Inc.



195 FTE's

79 Construction Jobs Created

Bond financing facilitated by WHEFA will be used to help Linden Oaks finance costs associated with the development and construction of new independent living and related retirement facilities serving older adults ages 55 and older. The project is designed as a pocket neighborhood consisting of clusters of homes around common green space. The neighborhood will consist of 40 independent homes to be located on approximately 10.55 acres of unimproved land in the City of Oshkosh, Wisconsin. This tax-exempt financing process has enabled Linden Oaks to operate more effectively by financing its capital expenses at a low interest rate.

WHEFA is proud to continue its mission of assisting all eligible Wisconsin nonprofit institutions to obtain and maintain access to tax-exempt financing in order to finance or refinance their capital improvement and expansion needs.

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

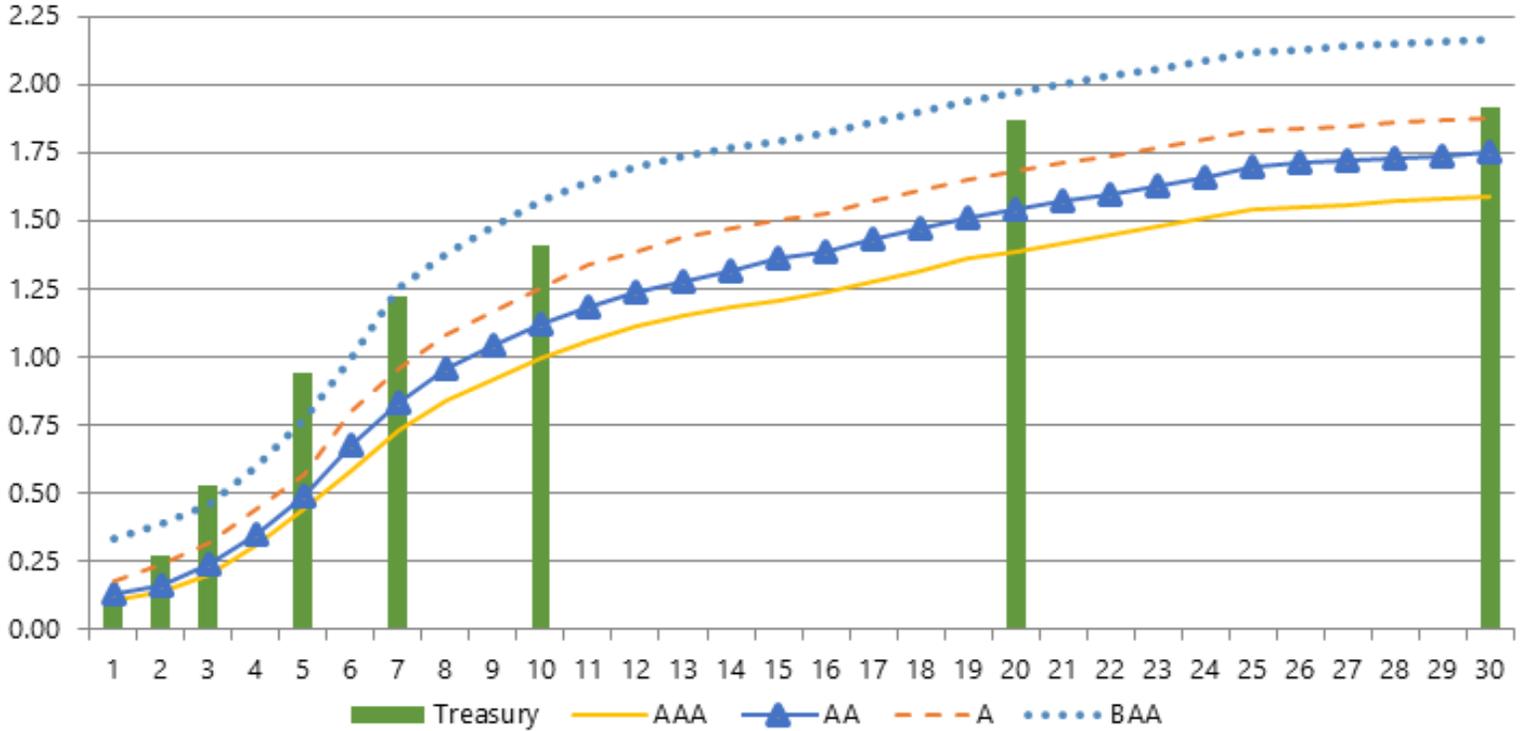
Recently Completed Financings

<u>Date</u>	<u>Borrower</u>	<u>Purpose</u>	<u>Amount</u>	<u>Structure</u>
07/15/2021	Milwaukee School of Engineering, Series A (Taxable)	Refinancing	\$ 18,790,000	Fixed Rate, Rated/Insured, Public Placement
07/15/2021	Milwaukee School of Engineering Project, Series B	New Money	\$ 10,610,000	Fixed Rate, Rated/Insured, Public Placement
07/15/2021	Linden Oaks, LLC Project	New Money	\$ 8,300,000	20-Year Reset Rate, Unrated, Private Placement
07/16/2021	PHM/New Richmond Senior Housing, Inc.	Refinancing	\$ 8,100,000	Fixed Rate, Unrated, Public Placement
08/12/2021	Gundersen Health System	Refinancing	\$ 99,550,000	Fixed Rate, Rated, Public Placement
08/12/2021	Woodside Senior Communities	Refinancing	\$ 11,700,000	10-Year Reset Rate, Unrated, Private Placement

Interest Rates (as of September 24, 2021)

	<u>Current</u>	<u>Three Months Ago</u>	<u>One Year Ago</u>
SIFMA Muni Swap Index	0.020%	0.030%	0.120%
Bank Prime Rate	3.250%	3.250%	3.250%
10-Year Treasury Note	1.460%	1.430%	0.670%
Revenue Bond Index (30-Year, A1/A+, Tax-Exempt Rate)	2.510%	2.500%	2.710%
Municipal Market Data (MMD) (30-Year, Aaa, Tax-Exempt Rate)	1.590%	1.470%	1.580%

Municipal Market Data & Treasury Rates September 24, 2021



Source: Treasury.gov

September 24, 2021

Robert W. Baird

WHEFA Announces 25th Annual Workshop

“Insights Into Capital Finance”, an annual one-day Workshop hosted by WHEFA, will be held on Monday, March 14, 2022. Location information will be released soon. This Workshop is designed for financial executives of all Wisconsin nonprofit institutions, as well as other financial professionals who assist in the financing process.

We are excited as it will be WHEFA’s 25th year of hosting this Workshop and we hope you are able to join us and participate.

This will be a free Workshop presented in the hopes of improving statewide knowledge about the capital financing process. Watch for invitations in early 2022. We hope you can join us for our 25th Workshop!

The Completion Certificate

Although many of the financing team members move on to the next financing, a borrower's responsibilities with respect to its tax-exempt bonds does not end at the time of the bond closing. In fact, a borrower's obligation to monitor and comply with the legal requirements pertaining to its tax-exempt bonds and the ownership and use of the bond financed assets is only just beginning on the closing date.

The post-issuance compliance obligations of a borrower are generally set forth in the bond documents. One such requirement for many new money projects is the completion certificate. This certificate is signed by the borrower and evidences the following items as outlined in the Loan Agreement:

- The completion date on which the project and all other necessary facilities related to the project were substantially completed to the satisfaction of the borrower.
- All costs and expenses incurred in connection with the project and expected to be paid with proceeds of the bonds have been paid except for specified amounts that either are not yet due and payable by the borrower.
- All applicable permits for occupancy and use have been obtained.
- That the weighted average maturity of the bonds issued to finance the project does not exceed 120% of the average reasonable expected economic life of the bond financed property. Bond financed property included any and all land, equipment, improvements and other real or personal property financed directly or indirectly with the proceeds of bonds.

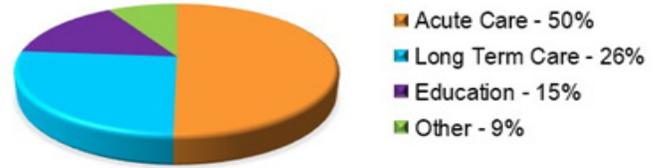
The completion certificate is typically delivered to the bond trustee, WHEFA, and the lending bank on the date specified in the Tax Agreement, but generally three years after the closing of the bonds per the spend-down requirement.

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

About WHEFA

WHEFA fulfills its mission by assisting all eligible Wisconsin nonprofit institutions to obtain and maintain access to tax-exempt financing in order to finance or refinance capital improvement and expansion needs. Since inception, WHEFA has provided several hundred Wisconsin nonprofit corporations access to private and public capital markets at lower costs than are available to them in the conventional marketplace.

42 Years of History:
914 financings in excess of \$30 billion



Number of issues as of 06/30/2021

Pursuant to Section 231.10 of the Wisconsin Statutes, bonds issued by WHEFA are not considered indebtedness of the State of Wisconsin, and the State has no obligation to repay any bonds issued by WHEFA under any circumstances. Additionally, WHEFA does not utilize any State moneys to fund its operations.

WHEFA MEMBERS

Chairperson

James Dietsche

Vice-Chairperson

Tim Size

Members

Renee Anderson

Billie Jo Higgins

James Opperman

Pamela Stanick

Robert VanMeeteren

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