

Capital Comments



Wisconsin Health and Educational
Facilities Authority

A Quarterly Newsletter

whefa.com

Spring 2022

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Message from the Executive Director

Change is in the Air

Hi. I'm Larry, and I am honored and excited to serve as WHEFA's next Executive Director.

The Members of WHEFA and its staff would like to thank Dennis Reilly for his exceptional leadership and service to nonprofit entities throughout Wisconsin over the last 26 years.

While I'm new here at WHEFA, I know many of you from my 30-year career working with healthcare providers throughout Wisconsin. To those I do not know, I look forward to meeting you soon.

I am eager to apply my experience from the borrower side to build upon the strong foundation and vibrant culture that is a hallmark of WHEFA.

Continuing the Momentum

These are unprecedented times for WHEFA. As noted in the previous quarterly newsletter, WHEFA had a busy start to FY 2022, having closed more financings in the first half of 2022 than were closed in all of FY 2021.

We are building on that momentum. Since January 2022 WHEFA facilitated an additional 10 financings totaling approximately \$484 million. Additionally, there are 12 projects in the pipeline.

It is exciting to see this level of activity, as this is an indication that many healthcare and education facilities are coming out of hibernation. We are proud to assist so many borrowers in fulfilling their mission.

Final Thoughts

I welcome the opportunity to serve as an ambassador for WHEFA, promoting its services and fostering educating regarding how WHEFA serves as a valuable resource to nonprofits throughout Wisconsin.

I hope you find this newsletter informative and a bit entertaining.

Please do not hesitate to call me directly at 262.510.9556 or contact any of the WHEFA staff if we can be of assistance or simply answer a question.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Larry D. Wiemer II'.

Larry D. Wiemer II
Executive Director

WHEFA MEMBERS

Chairperson

James Dietsche

Vice-Chairperson

Tim Size

Members

Renee Anderson

Billie Jo Higgins

James Oppermann

Pamela Stanick

Robert Van Meeteren

WHEFA STAFF

Executive Director

Larry D. Wiemer II

Associate Executive Director

Tatiana Graver

Manager of

Operations & Finance

Tanya Coppersmith

Executive Assistant

Stephanie Schirripa

Financing Spotlight

ANOTHER SUCCESSFUL PRIVATE ACTIVITY BOND FINANCING

\$6,500,000

WHEFA Bond Financing Helps St. Peter Lutheran, a 922 Ministry, Expand in the Town of Freedom

Bonds Placed with Nicolet National Bank

“The opportunity to receive tax-exempt financing is an incredible blessing to our school. In a growing north Appleton community, this allows us to expand our facilities and staff to offer a quality education to 150 additional students. Without this project and our ability to obtain affordable financing, we would be turning away students already next school year (my kids included). Tax-exempt financing through WHEFA will enable us to invest more dollars in our students and staff instead of building costs. We are thankful for the collaboration to make this happen!”

**- Nathan Paul, Chief Operating Officer
922 Ministries**



58 FTE Employees

Bond financing facilitated by WHEFA will be used to help St. Peter Lutheran Church finance the construction and equipping of an approximately 45,000 square foot addition and gymnasium to its school. This tax-exempt financing process has enabled St. Peter Lutheran Church 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.

Recently Completed Financings

Date	Borrower	Purpose	Amount	Structure
02/01/2022	Tri-County Memorial Hospital	New Money	\$ 40,000,000	10-Year Reset Rate, Unrated, Private Placement
02/03/2022	The Medical College of Wisconsin, Inc.	Refinancing & New Money	\$165,350,000	Fixed Rate, Rated, Public Placement
02/10/2022	Marshfield Clinic Health System, Inc., Series A	New Money	\$ 75,000,000	Weekly Variable Rate, Rated, Public Placement
02/15/2022	Marshfield Clinic Health System, Inc., Series B	Refinancing	\$ 46,075,000	Fixed Rate, Unrated, Private Placement
02/24/2022	Spooner Health System, Inc.	Refinancing	\$ 17,630,000	10-Year Reset Rate, Unrated, Private Placement
02/24/2022	St. Peter Lutheran School Project	New Money	\$ 6,500,000	7-Year Reset Rate, Unrated, Private Placement
02/28/2022	Sauk Prairie Healthcare, Inc.	Refinancing	\$ 16,657,945	Fixed Rate, Unrated, Private Placement
03/10/2022	St. Norbert College, Inc.	New Money	\$ 6,000,000	10-Year Reset Rate, Unrated, Private Placement

Fun Facts

- ◆ Lake Michigan is the only one of the Great Lakes entirely within the borders of the U.S.
- ◆ As we approach tax time, did you ever notice that when you put the words “The” and “IRS” together, it spells “Theirs”.
- ◆ A portion of the Fox river flows north, making it one of the only rivers in the nation with water flowing north.

News of Note

From the Bond Buyer.com

The Internal Revenue Service will permanently allow TEFRA hearings for private activity bonds to be held remotely via a toll-free telephone number.

See the full article here: [IRS allows for permanent remote TEFRA hearings | Bond Buyer](#)

From WisBusiness.com ...

The state Department of Workforce Development has released new county workforce profiles including economic data through the end of 2021.

The profiles provide an update to a 2019 data series compiled by DWD's Office of Economic Advisors, capturing the impact of the COVID-19 pandemic on local workforce trends throughout the state. They include information on employment by industry sector, industry-level patterns, payroll, wages, as well as unemployment and labor force participation.

See the DWD release: <https://dwd.wisconsin.gov/press/2022/220324-llm-snapshots.htm>

Words of Wisdom

- ◇ Money talks, but credit has an echo!
- ◇ If you have an unpleasant neighbor, chances are they do too.
- ◇ Learn to laugh at yourself, or you will miss some of the best jokes.
- ◇ Remember, if we had no winter the spring wouldn't be so pleasant.
- ◇ I wondered why the baseball kept looking larger, then it hit me.

The Bond Deal is Over—Now What?

- *Schedule K to IRS Form 990* - *Cautions*

- Annual reporting requirement on any outstanding tax-exempt bond issue that was issued after 12/31/2002 (including refunding bonds) with an outstanding principal amount in excess of \$100,000 on the last day of the applicable tax year.
- Schedule K contains three questions regarding the adoption of written procedures to monitor compliance with federal laws applicable to tax-exempt bonds.
- Read the instructions carefully. There are specific defined terms in reference to the questions asked on Schedule K.
 - ◇ “gross proceeds”
 - ◇ “proceeds”
 - ◇ “bond issue”
 - ◇ “refunding issue”
 - ◇ “refunding escrow”
 - ◇ “defeasance escrow”
 - ◇ “private business use”
- Schedule K contains some questions that actually require a legal conclusion. Consider consulting bond counsel or other qualified professional.
- Common mistakes:
 - ◇ Description of purpose of bonds
 - ◇ Issue date of bonds
 - ◇ Mistaking whether one or more series of bonds is a separate “issue”
 - ◇ Failure to include investment proceeds
 - ◇ Misunderstanding of the definitions and use of terms “gross proceeds” versus “proceeds”
 - ◇ Failure to include unrelated trade or business activity as private business use
 - ◇ Whether there has been a legal defeasance
 - ◇ Are there any contracts that *may* result in private business use (the question does not ask *if* there are any contracts in place that may result in private business use)?
 - ◇ Does the bond issue meet the private security or payment test?
 - ◇ Calculation of percentage of private business use

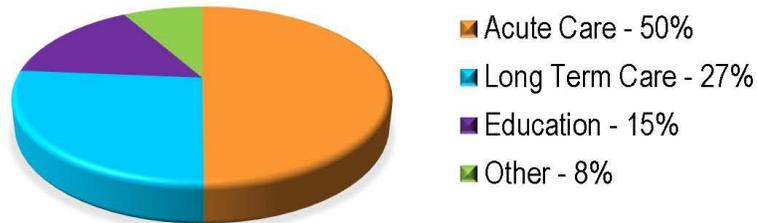
About WHEFA

WHEFA's mission is to assist all eligible Wisconsin nonprofit institutions to obtain and maintain access to tax-exempt financing in order to finance or refinance their qualifying 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.

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.

42 Years of History: 926 financings totalling in excess of \$30 billion



Number of Financings as of 12/31/2021

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