



John Carroll University

**STATE OF OHIO
OHIO HIGHER EDUCATIONAL FACILITY COMMISSION
HIGHER EDUCATIONAL FACILITY REVENUE BONDS
JOHN CARROLL UNIVERSITY 2016 BONDS**

INVESTOR SLIDE PRESENTATION

*The Preliminary Offering Circular for the 2016 John Carroll University
Refunding Bonds is available at*

<http://www.mcelweequinn.com/jobs/1542103893>



John Carroll University

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John Carroll University

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Overview & Timing: 2016 Bonds

Issuer: State of Ohio (Ohio Higher Educational Facility Commission)

Rating: 'A3' Rating, Negative Outlook, by Moody's Investors Service

Borrower: John Carroll University

Borrowing Size: Approximately \$21.8 Million

Use of Proceeds: Currently Refund the outstanding Series of 2006 Bonds

2016 Bond Structure: Tax-Exempt Fixed Rate; Optional Redemption: 4/1/25 at Par
Payment Dates: 4/1 Principal and 4/1 & 10/1 Interest
Serial Bonds: 2029 – 2032, 2035 & 2036
Term Bond: 2041

Security: Unconditional Guaranty of John Carroll University

Pricing: January 20, 2016

Closing: February 9, 2016

Preliminary Offering Circular may be obtained at www.mcelweequinn.com



Key Parties: 2016 Bonds

Borrower & Guarantor: John Carroll University

Issuer: State of Ohio (Ohio Higher Educational Facility Commission)

Underwriter: George K. Baum & Company

Linda Eremita | Senior Vice President | 412-419-8437 | eremita@gkbaum.com

Gary Nowicki | First Vice President | 412-922-4484 | nowicki@gkbaum.com

Bond Counsel: Squire Patton Boggs LLP

Counsel to the Underwriter: Ballard Spahr LLP

Trustee: BNY Mellon

Printer: McElwee & Quinn

Preliminary Offering Circular may be obtained at www.mcelweequinn.com

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JOHN CARROLL UNIVERSITY SENIOR LEADERSHIP

Senior Leadership

Rev. Robert L. Niehoff, S.J.



*John Carroll University
Experience: 11 Years*

- Became the 24th **President** in August **2005**
- Prior to joining John Carroll University, he was employed by the University of San Francisco where he served in various roles including Vice President, Planning & Budget; Associate Provost; and Associate Dean in the School of Education
- Joined the Society of Jesus in 1972; Ordained in 1982
- Ph.D Gonzaga University, MBA and Two Masters in Theology & B.A. University of Washington
- Member of the Board of St. Louis and Regis Universities
- Previously served as: Treasurer of the Jesuit School of Theology at Berkeley; Assistant Treasurer of the Oregon Province of the Society of Jesus; and Chief Financial Officer of the Archdiocese of Nassau

Senior Leadership



*John Carroll University
Experience: 20 Years*

Mr. Richard F. Mausser, CPA

- Named **Vice President for Administration/CFO** in 2015; Vice President for Finance/CFO since 2008; Executive Director of Finance 2001-2008; University Controller 1995-2001
- The University is currently conducting a search process for a Vice President for Finance. After such appointment, Mr. Mausser's title will be Vice President for Administration.
- Mr. Mausser was also employed in the audit, treasury, accounting and controller functions at Leaseway Transportation Corp., & by Deloitte and Touche LLP
- He has been a Certified Public Accountant in Ohio since 1980
- B.S. - Case Western Reserve University
- MBA - John Carroll University



*John Carroll University
Experience: 28 Years*

Dr. Jeanne Colleran

- **Provost** since August **2014**
- **Dean** of the College of Arts and Sciences from August **2010** to August **2014**
- A professor of English, she is a summa cum laude graduate of John Carroll University, with an M.A. from Case Western Reserve University, and a Ph.D. from The Ohio State University. She began her teaching career at John Carroll University in **1987**
- She received the Cullichia Award for Teaching Excellence in the College of Arts and Sciences in 1995, the Northeast Ohio Council on Higher Education Award for Teaching Excellence in 2004, the Distinguished Faculty Award in 2005, and the Curtis Miles Service Award in 2008
- She publishes in the fields of contemporary and postcolonial literatures

Senior Leadership



*John Carroll University
Experience: 8 Years*

Ms. Doreen Knapp Riley

- **Vice President for University Advancement** since June 2007
- Prior to that she served as:
 - Director of Foundation Programs at the Association of Governing Boards of Universities and Colleges in Washington, DC
 - Vice President of Development for The Aspen Institute
 - Deputy Director of the Olympic Athletes Village for the 1996 Summer Olympic Games in Atlanta
 - Director of Management for the 1994 World Cup USA Soccer Tournament in Los Angeles
 - Director of Development for Special Gifts at Kent State University
 - Special Assistant to the VP Advancement at the University of Georgia
 - Holds an M.S. from the University of Georgia and a B.S. from The Ohio State University



*John Carroll University
Experience: 9 Years*

Mr. Brian G. Williams

- **Vice President for Enrollment and Institutional Analytics**
- Joined the University in 2006 after serving Providence College where he was employed since 1998 and had most recently served as Dean of Enrollment Services
- Mr. Williams also previously served in the admissions and financial aid areas at both La Salle University (PA) and Saint Louis University (MO)
- B.A. University of New Hampshire
- M.A. Boston College (Higher Education Administration)
- Currently pursuing Management Doctorate at Case Western Reserve University's Weatherhead School

GENERAL UNIVERSITY OVERVIEW





Fast Facts

- Founded in 1886
- One of 28 Jesuit Universities in the United States
- Consistently named by U.S. News & World Report as one of the Midwest's best regional universities
- Faculty
 - 193 Full-Time/ 224 Part-Time Teaching Faculty
 - 96% of Full-Time Faculty Possess Terminal Degrees
 - 14:1 Student to Faculty Ratio/ 19:1 Average Class Size
 - 87% Freshman Retention Rate
- Campus
 - 65 Landscaped Acres in University Heights suburb (10 miles from downtown Cleveland)
 - 27 Buildings / Predominately Gothic Architecture

JCU Ranking Recognition in 2015

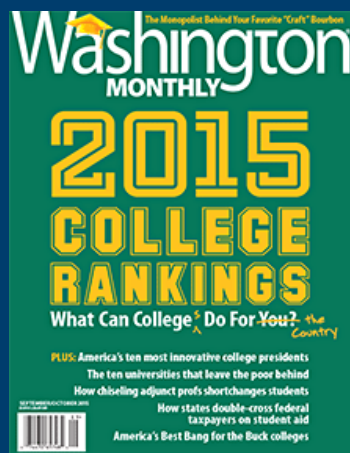
Kiplinger

Timely, Trusted Personal Finance Advice and Financial Forecasts

- 4th Best Value in Ohio
- <http://www.kiplinger.com/article/college/T014-C000-S002-past-years-rankings-of-top-private-college-values.html?page=2>



- #7 for “Best Regional Universities in the Midwest”
- #7 in “Best Value Schools in the Midwest”
- #3 for a “Best Undergraduate Teaching in the Midwest”
- #7 for “Best Colleges for Veterans in the Midwest”
- <http://colleges.usnews.rankingsandreviews.com/best-colleges/john-carroll-university-203368/overall-rankings>



- Ranked 17th nationally among Master's Universities
- Research (producing cutting-edge scholarship and PhDs)
- Service (encouraging students to give back)
- Social Mobility (recruiting and graduating low income students)
- http://www.washingtonmonthly.com/college_guide/rankings-2015/masters-universities-rank.php

Business School Accomplishments

John M. and Mary Jo Boler School of Business Rankings

- **CPA Pass Rates:** According to results from the National Association of State Boards, JCU ranked 1st in Ohio & 8th nationally for the 2014 CPA Exam among medium-sized programs.
- **Business School Accreditation:** The Boler School of Business holds dual AACSB accreditation in business and accounting, a distinction earned by less than 5% of business schools in the world.
- **Best Undergraduate Business Programs 2015**
U.S. News & World Report
 - 31st nationally for Accounting Programs
 - 23rd nationally for Entrepreneurship Programs
- Bloomberg BusinessWeek 2014 **Entrepreneurship Programs**
 - 1st in Ohio
 - 18th nationally



Notable Individuals

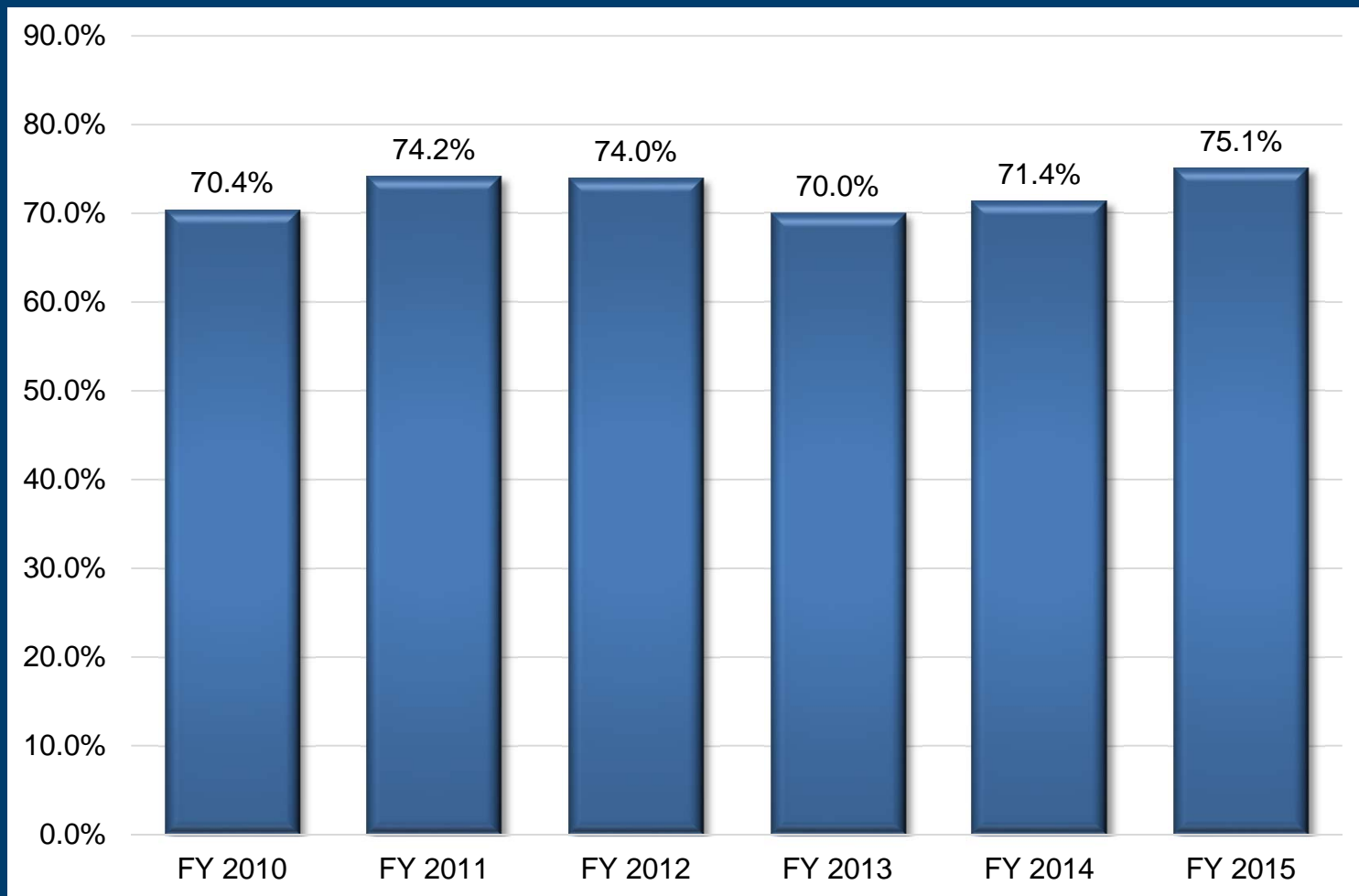
John Carroll University has educated a number of notable individuals who have made impressive contributions to many professional fields. A partial list of such individuals follows:

- ❖ the late **Tim Russert**, of NBC's *Meet the Press*
- ❖ **Don Shula**, former *NFL* player and coach
- ❖ **Charles Dolan**, founder of *Cablevision* and *HBO*
- ❖ **Carter Ham**, recently retired 4-star *United States Army General*
- ❖ **Richard Kramer**, CEO of the *Goodyear Tire & Rubber Company*
- ❖ **Bob Gunn**, *President of Gunn Financial Incorporated*
- ❖ **Timothy Donahue**, former President & CEO of *Nextel Communications Inc.*

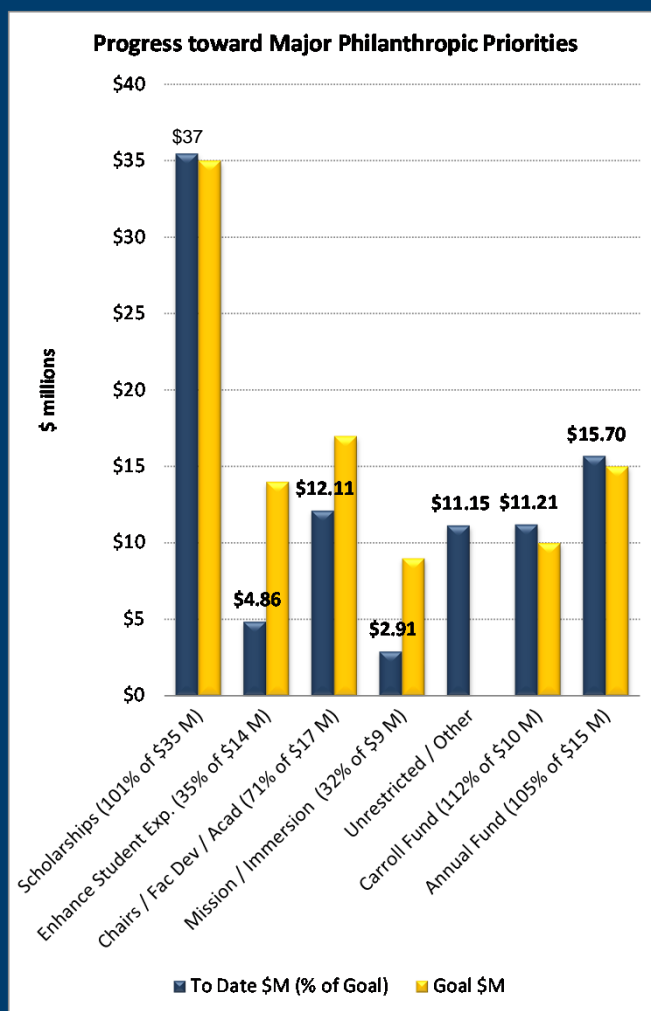
Undergraduate Enrollment

| Academic Year | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| FT Undergraduate Enrollment | 2,913 | 2,859 | 2,962 | 3,020 | 2,988 |
| FTE Total Enrollment | 3,621 | 3,501 | 3,635 | 3,648 | 3,525 |
| Applications | 3,319 | 3,490 | 3,721 | 3,876 | 4,098 |
| Acceptances | 2,781 | 2,843 | 3,101 | 3,212 | 3,358 |
| Acceptance Rate | 84% | 81% | 83% | 83% | 82% |
| Matriculations | 744 | 681 | 792 | 798 | 761 |
| Matriculation Rate | 27% | 24% | 26% | 25% | 23% |

5 Year Undergraduate Graduation Rate



Forever Carroll Campaign Details



As of 12/15/2015

PHILANTHROPIC PRIORITIES (\$To Date / \$Goal)

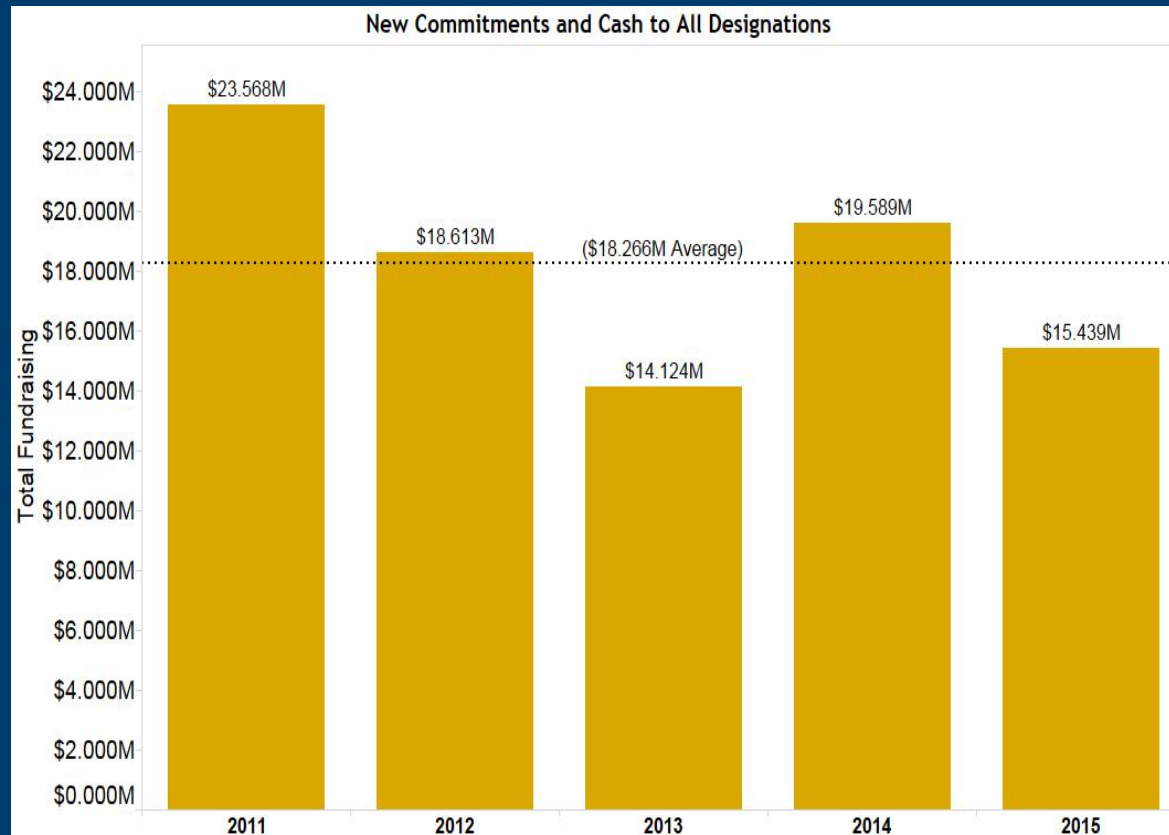
1. Scholarships
\$37 million / \$35 million
2. Academics
\$12 million / \$17 million
3. Jesuit Mission
\$3 million / \$9 million
4. Student Life Infrastructure
\$5 million / \$14 million
5. Carroll Fund / Restricted Operating
\$38 million / \$25 million

Total \$95 million / \$100 million

Annual Giving = All Sources

FY2010 - FY2015 Total Giving

From all sources (\$18.3 million average)



Actual Cash Received:

FY2015 = \$ 9.85 million

FY2014 = \$ 7.84 million

FY2013 = \$10.23 million

FY2012 = \$10.80 million

FY2011 = \$ 6.93 million

FY2010 = \$ 8.70 million

FY2009 = \$ 8.02 million

Donor Base

FY2015 = 8,781 donors

FY2014 = 8,315 donors

FY2013 = 9,094 donors

FY2012 = 8,840 donors

FY2011 = 8,855 donors

FY2010 = 7,906 donors

FY2009 = 7,883 donors



FY '15 Endowment Liquidity (5/31/15)

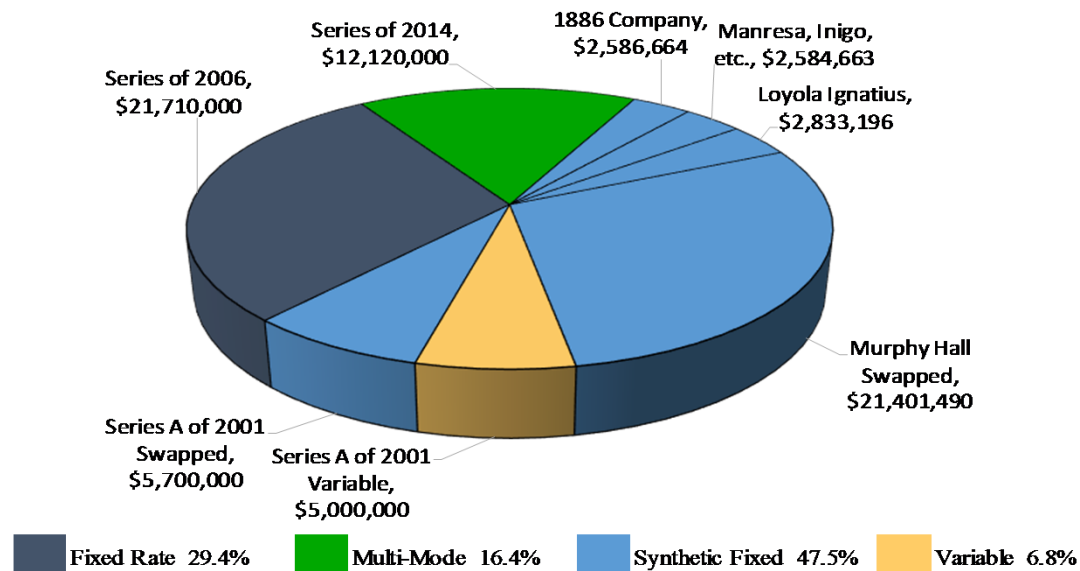
| Liquidity Tranche | Amount | Percent |
|---------------------|---------------|---------|
| Less than 30 Days | \$80,026,000 | 39.0% |
| Monthly | \$22,572,000 | 11.0% |
| Quarterly | \$82,078,000 | 40.0% |
| Annually | \$8,208,000 | 4.0% |
| Greater than 1 Year | \$12,312,000 | 6.0% |
| Total | \$205,196,000 | 100.0% |

Existing Debt

As of January 1, 2016

5/31 Year-End Snapshot Debt Total

| | |
|-------|--------------|
| 2015: | \$76,296,418 |
| 2016: | \$71,106,508 |
| 2017: | \$65,761,801 |
| 2018: | \$60,265,890 |



| Series Name | Current Par Amount | Borrowing Type | Tax Status | Current Rate* | Maturity |
|----------------------|---------------------|-----------------|------------|---------------|-------------------|
| Series A of 2001 | \$10,700,000 | Vrbl/Synthetic | Tax-Exempt | Weekly | November 15, 2027 |
| Series 2006 | \$21,710,000 | Fixed* | Tax-Exempt | 4.97% | April 1, 2032 |
| Series 2014 | \$12,120,000 | Multi-Mode | Tax-Exempt | 1.78% | September 1, 2033 |
| Taxable Notes: | | | | | |
| 1886 Company | \$2,557,106 | Synthetic Fixed | Taxable | 3.55% | January 1, 2032 |
| Manresa, Inigo, etc. | \$2,557,739 | Synthetic Fixed | Taxable | 5.19% | June 1, 2031 |
| Loyola Ignatius | \$2,805,977 | Synthetic Fixed | Taxable | 3.61% | April 1, 2021 |
| Murphy Hall | \$21,266,122 | Synthetic Fixed | Taxable | 3.79% | April 1, 2023 |
| | <u>\$73,716,944</u> | | | | |

Note: The Series 2014 has a current coupon of 2.25% (1.78% original yield) and will reset on September 1, 2018.



Plan of Refinancing

❖ Refinance all of the 2006 Bonds

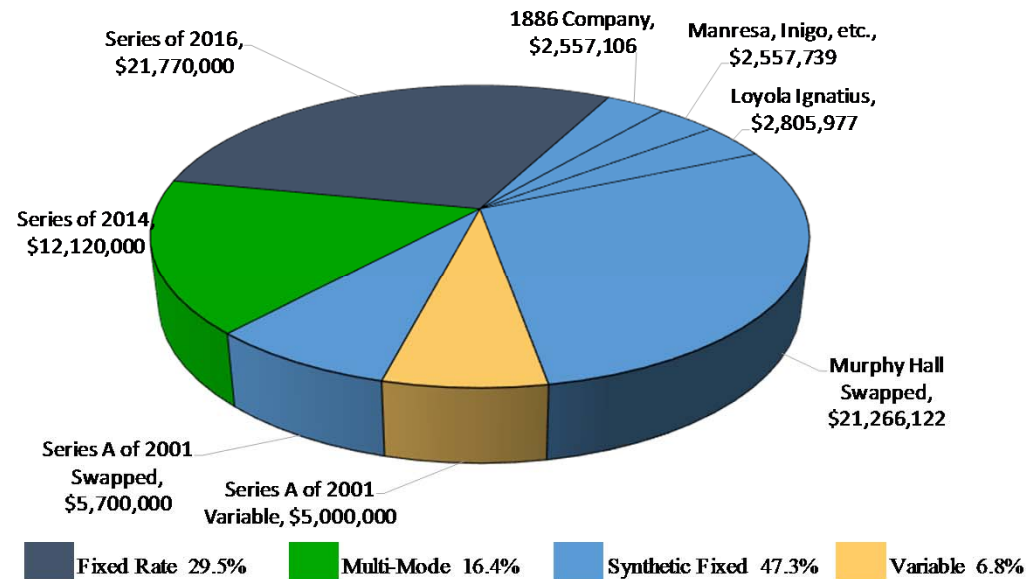
- The 2006 Bonds become callable on April 1, 2016
- Current outstanding balance is \$21,710,000
- The 2006 Bonds will be refinanced with the final maturity extended to 2041 at traditional fixed interest rates
- The restructuring will provide more of a level debt structure vs. the University's existing amortization.
- Goal to achieve cash flow savings over 2016-2020 of at least \$10 million

Pro-Forma Debt

As of 2016

5/31 Year-End Snapshot Debt Total

| | |
|-------|--------------|
| 2015: | \$76,296,418 |
| 2016: | \$73,481,508 |
| 2017: | \$70,571,801 |
| 2018: | \$67,625,890 |



| Series Name | Current Par Amount | Borrowing Type | Tax Status | Current Rate* | Maturity |
|-----------------------|---------------------|-----------------|-------------------|---------------|----------------------|
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| Series 2014 | \$12,120,000 | Multi-Mode | Tax-Exempt | 1.78% | September 1, 2033 |
| Series 2016 | \$21,770,000 | Fixed | Tax-Exempt | | April 1, 2041 |
| <u>Taxable Notes:</u> | | | | | |
| 1886 Company | \$2,557,106 | Synthetic Fixed | Taxable | 3.55% | January 1, 2032 |
| Manresa, Inigo, etc. | \$2,557,739 | Synthetic Fixed | Taxable | 5.19% | June 1, 2031 |
| Loyola Ignatius | \$2,805,977 | Synthetic Fixed | Taxable | 3.61% | April 1, 2021 |
| Murphy Hall | \$21,266,122 | Synthetic Fixed | Taxable | 3.79% | April 1, 2023/2043 |
| | <u>\$73,776,943</u> | | | | |

Note: The Series 2014 has a current coupon of 2.25% (1.78% original yield) and will reset on September 1, 2018.

* Remaining Average Coupon



Concluding Highlights

- The University continues to maintain a strong balance sheet, having grown from an endowment of \$147 million in FY '10 to \$205 million in FY '15, while net long term debt will have grown by only \$3 million between FY '10 – FY '16.
- Successful implementation of Operating Budget Reductions projected to yield \$2.4 million in FY '16 reductions.
- 5 Year graduation rate has increased over the past five years from 70.4% to 75.1%.
- Strong Forever Carroll Campaign Alumni Support includes recent gifts (FY 2015) of \$10 million from 4 alumni donors.
- The 2016 Refunding Bonds are structured to produce more than \$10 million in cash flow savings 2016-2020.



Underwriter Contacts

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Gary Nowicki | First Vice President
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