

ANDERSON UNIVERSITY

SEPTEMBER 2017

CLIENT PROFILE

Anderson University is located in the City of Anderson, Indiana. Founded in 1917 by the Church of God, the origins of the school actually lay in the Church's publishing house. An educational department of the publishing house, which became known as Anderson Bible Training School, was started to educate leaders of the Church. After decades of expanded offerings and several name changes, Anderson University was accredited in 1945 by the North Central Association of Colleges and Schools, which has since been renamed the Higher Learning Commission.

As of the 2016-17 school year, the University had an enrollment of 2,074 full-time equivalent students. As a liberal arts university, Anderson offers more than 60 undergraduate degrees and 5 graduate degrees. Degrees most often pursued by students at Anderson include Nursing, Psychology, and Elementary Education. The University offers a wide range of collegiate sports programs that compete in NCAA Division II and maintains 31 academic, residence and other buildings integral to the Anderson experience across 166 acres.

TRANSACTION HIGHLIGHTS

Proceeds of the Series 2017 Bonds were used, together with available funds, to: (i) currently refund the University's outstanding Series 2007 and Series 2015 Bonds; (ii) fund a debt service reserve fund for the Series 2017 Bonds; and (iii) pay certain costs of issuance relating to the Bonds. The Series 2017 Bonds are traditional public market fixed rate bonds with a "BB" rating from Fitch, issued through the City of Anderson, Indiana.

Ziegler was able to secure premium call provisions with the bonds callable in five years at 102% of par, declining to 100% of par in nine years. Six institutions participated in the purchase of the Series 2017 Bonds. Ziegler underwrote approximately \$7.1 million of the bonds.



\$39,695,000

City of Anderson, Indiana
Economic Development Revenue Refunding Bonds, Series 2017
(Anderson University)

THE ZIEGLER DIFFERENCE

For many in the private higher education world, maintaining and growing enrollment levels and achieving operational efficiencies is vital to the success of these institutions. The University was not unlike other Midwestern private higher education institutions with a need to stabilize enrollments and undertake programming adjustments and operational efficiency initiatives to preserve its ability to attract qualified applicants. A component of these adjustments was a targeted Bond refunding that would afford the University cash flow relief, while taking advantage of the current rate environment.

Ziegler's demonstrated capabilities in the successful pricing of a substantial number of credit-driven issuances within the not-for-profit space proved compelling to the University. It is estimated that Anderson will realize average annual savings of over \$570,000 for the next 15 years because of this financing.

In addition to the execution of the refunding, Ziegler stepped up with a willingness to underwrite \$7.1 million of the new bonds. This was necessary because the University had a targeted closing prior to a September 30th principal payment on their Series 2007 Bonds. Ziegler found that there was initially a shortage of investors who were willing to purchase the University's bonds at acceptable rate levels.

The underwriting was necessary to get the deal fully subscribed. Demand for these bonds rebounded within a week of the pricing, and Ziegler was able to find buyers at that time.

The issuance of the Series 2017 Bonds marks the first issue that Ziegler has served as underwriter for the University.



REFERENCES

For references on Ziegler's role in this financing, please contact:

Anderson University
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Anderson, IN 46012

800 428 6414

This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

For further information on the outstanding bonds for this issuer, please visit the Electronic Municipal Market Access system at <http://emma.msrb.org/>.

ZIEGLER

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