

State of Michigan
Department of Treasury
Bureau of Bond Finance

Michigan Higher Education Facilities Authority

**ANNUAL REPORT
2008**

Michigan Higher Education Facilities Authority

Authority Mission Statement

The Michigan Higher Education Facilities Authority (MHEFA) exists to lower the cost of non-profit higher education by providing Michigan's private, non-profit educational institutions access to tax-exempt capital.

The Authority Finance Division as part of the Bureau of Bond Finance provides financial and administrative support services on behalf of MHEFA to assist with achieving its goals.

Bureau of Bond Finance Mission Statement

The Bureau of Bond Finance will achieve and maintain access to the financial market at the lowest cost to the citizens of Michigan on behalf of:

- Hospitals and their patients
- Higher education students and their families
- Private colleges and their students
- Public school academies and their students
- Public schools and their taxpayers
- Municipalities and their taxpayers
- The State-at-large for environmental, recreational, and other specific voter approved projects
- The State for cash flow financing for operating purposes.

Vision

- We are committed to fair, consistent, and courteous customer service.
- We have the training, technology, and tools to meet customer needs.
- We provide low-cost financing in order for cities and communities to be magnets for economic opportunities, with high quality education and healthcare.
- We are a division where public service and service to others is exalted.

Values

- Integrity: Michigan's schools, colleges, universities, municipalities, and healthcare providers; along with bond counsel, financial advisors, and underwriters know that they can depend upon the Authority Finance Division to follow through on their commitments.
- Excellence: The Authority Finance Division is committed to providing increasingly effective, low-cost financing to protect the interests of the citizens of Michigan.
- Teamwork: The Authority Finance Division will work together to provide effective, low-cost financing to Michigan's schools, colleges, universities, municipalities, and healthcare providers.
- Pride: In our achievements.

Michigan Higher Education Facilities Authority Purpose and Structure

The Michigan Higher Education Facilities Authority was created under Act 233 of 1964 and Act 295 of 1969 (the Acts) to assist non-profit educational institutions in Michigan in obtaining financing for capital improvements. Through MHEFA, universities and colleges in the State have access to the capital market at competitive, tax-exempt interest rates. Bonds are issued through MHEFA and the proceeds loaned to higher educational institutions in Michigan for the acquisition, construction, or alteration of educational facilities.

The provisions of the Acts are carried out by an eleven member authority. The Governor, with the advice and consent of the State Senate, appoints nine members. The State Superintendent of Public Instruction and the Director of the Department of Management and Budget are ex officio, non-voting members. The voting membership of MHEFA is as follows:

Larry L. Whitworth, Chair

William J. Cochran, Vice Chair

Harold Gardner

James N. Goenner

Larry L. Leatherwood

Daniel J. Limer

Lewis N. Walker

Amy D. Seetoo

Lerrlyn Nelson

Michigan Higher Education Facilities Authority 2008 Activity

On behalf of colleges and universities in Michigan, MHEFA completed seven bond issues in 2008 totaling \$176.2 million. The following is a description of each of these facilities financings.

Borrower/Location	Closing Date	Bond Amount	Purpose of Bond Issue
Aquinas College Grand Rapids	2/5/2008	\$16,325,000	Acquisition, construction, installation, renovation, repair, furnishing, and equipping of educational facilities including: on-campus apartments, science labs, academic building, soccer field, roads, walkways, parking lots, and landscaping; and refunding 1998C Bonds
Adrian College Adrian	5/29/2008	15,000,000	Construction, renovation, repair, furnishings, and equipment for the College's academic, classroom, and residence buildings and certain athletic facilities
Thomas M. Cooley Law School Lansing	6/10/2008	85,000,000	Refinancing of the School's Series 2007 Bonds to exit the unstable auction rate insured market to a more stable variable rate demand bonds mode
College for Creative Studies Detroit	7/24/2008	26,380,000	Renovation of the existing Cultural Center Campus, construction of a parking structure and surface lot, refinancing of the College's Series 2002 Bonds, payment of capitalized interest, and funding of a debt service reserve fund
Baker College Muskegon	7/30/2008	6,000,000	Construction of a new facility for use by The Culinary Institute of Michigan, the College's culinary arts program
Davenport University Caledonia Township, Kent County	8/7/2008	12,500,000	Construction, equipping and furnishing of a student residence hall, which will be located at the University's existing college campus
Alma College Alma	9/29/2008	15,000,000	Renovation and improvement of athletic facilities, academic and administrative space, housing units, the library, science and laboratory centers, and a medical facility
TOTAL		\$176,205,000	