



# President's Report

to the  
Board of Trustees

June 5, 2025



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**ACTION ITEM I. A. APPROVAL OF FY2024 EXTERNAL AUDIT REPORTS**

The Illinois Office of the Auditor General has published Northeastern Illinois University's FY2024 external audit reports. On May 15, 2025 the Audit Committee and the Finance, Buildings and Grounds Committee, in a joint meeting, received both a public and private briefing on the auditor's material findings.

Financial Audit

#	Repeat?	Finding Title	Finding Description	Corrective Action	Completion
001	Yes	Inadequate Control over Census Data	Northeastern Illinois University did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.	NEIU HR completed the required reconciliation of the base year, 2023 on March 31, 2025.	03/2025
002	Yes	Noncompliance with Fiscal Control and Internal Auditing Act	Northeastern Illinois University did not comply with the Fiscal Control and Internal Auditing Act (FCIAA).	NEIU Internal Audit has modified the audit plan process to ensure approval signatures are collected prior to July 1 each year. Additionally, audit plans will be modified if it is determined projects won't be completed in the fiscal year they were planned for. Peer Review will be complete by May 30, 2025.	7/1/2025
003	Yes	Lack of Adequate Controls over Service Providers	The Northeastern Illinois University (University) lacked adequate controls over review of internal controls over service providers.	NEIU Purchasing and UTS have implemented a Vendor Policy and are also working on a procedure to guide departments in monitoring vendor performance.	12/30/2025
004	Yes	Weaknesses in Computer Security	Northeastern Illinois University has not adequately safeguarded their computing environment.	NEIU UTS continues to strengthen controls and oversight over our IT environment, aligning with the most recent IT security standards.	12/30/2025
005	Yes	Lack of Adequate Change Management Controls	Northeastern Illinois University did not have adequate Change Management Controls.	NEIU UTS is developing a University-wide IT Change Management Policy to assist departments in managing the changes made to their systems.	12/30/2025

Single Audit

#	Repeat?	Finding Title	Finding Description	Corrective Action	Completion
006	No	Noncompliance with Enrollment Reporting Requirements	Northeastern Illinois University did not have adequate procedures and controls in place to ensure that the effective date of students who unofficially withdrew was accurately reported to National Student Loan Data System.	The Registrar's Office will incorporate Financial Aid's reporting frequency of unofficial withdrawals, a category strictly used by the Financial Aid office which the Registrar's Office does not recognize, with their own data to resolve this issue in the reporting.	7/1/2025
007	Yes	Noncompliance with Grant Reporting Requirements	Northeastern Illinois University did not have adequate procedures in place to ensure the Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) reports were accurate and timely posted to the University's website.	2024 was the last year for this requirement and therefore this finding will not repeat in 2025.	Complete

Compliance Audit

#	Repeat?	Finding Title	Finding Description	Corrective Action	Completion
008	Yes	Noncompliance with College Student Immunization Act	Northeastern Illinois University is not in compliance with the College Student Immunization Act and the Illinois Department of Public Health's administrative rules.	Student Health Services continues to encourage students to provide immunization data. Additionally, Student Health Services offers free vaccinations to students. Lastly, technology solutions are being reviewed and considered.	Will repeat until system is purchased.
009	No	Noncompliance with the Student Parent Data Collection Act	Northeastern Illinois University did not comply with the Student Parent Data Collection Act.	Office of Institutional Research & Assessment will be working with various offices and IBHE to capture and present the data on a Student Parent Data webpage in 2025. Child Care Center forms have been updated to include required data.	12/30/2025
010	No	Failure to Timely Submit Required Salary Report	Northeastern Illinois University did not submit their salary report to the Illinois Board of Higher Education by the required deadline.	NEIU HR has built a custom report within Workday which will report the information in the format IBHE requires thus eliminating missed deadlines.	7/1/2025
011	Yes	Inadequate Controls over Personnel Files	Northeastern Illinois University was not in compliance with personal services guidelines.	The required forms are now electronically completed and maintained in Workday. The Ethics Officer is actively monitoring all required reporting for Statements of Economic Interests and other mandated items.	7/1/2025

**Recommended Action**

I request that the Board adopt the Audit Committee's and Finance, Buildings and Grounds Committee's recommendations to accept and file the University's FY2024 external audit reports as presented.

**ACTION ITEM I. B. APPROVAL OF THE FY2026 PRELIMINARY OPERATING BUDGET**

On May 15, 2025, the Audit Committee and the Finance, Buildings and Grounds Committee, in a joint meeting, received a presentation on the FY2026 Preliminary Operating Budget for the Board's consideration. The University is proposing a preliminary operating budget of \$153 million, comprised of \$94.4 million in unrestricted revenues and \$58.6 million in restricted revenues.

Revenues by Source

Table 1  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 Fiscal Year 2026 Preliminary Operating Budget  
 (with comparable data provided for Fiscal Year 2025)

REVENUES	FY2025 Budget	FY2026 Preliminary Budget	Annual Change	
			Dollar	Percent
<b>Unrestricted Operating Budget</b>				
State General Funds Appropriations	\$ 40,758,700	\$ 41,981,500	\$ 1,222,800	3.0 %
University Income Fund - Tuition	45,134,178	47,204,000	2,069,822	4.6
University Income Fund - Tuition Differential	820,122	1,414,500	594,378	72.5
University Income Fund - Investment Income	3,700,000	3,200,000	(500,000)	(13.5)
University Income Fund - Others	500,000	600,000	100,000	20.0
<b>Unrestricted Operating Budget</b>	<b>\$ 90,913,000</b>	<b>\$ 94,400,000</b>	<b>\$ 3,487,000</b>	<b>3.8 %</b>
<b>Restricted Operating Budget</b>				
Student Fee Programs	\$ 11,438,391	\$ 12,352,500	\$ 914,109	8.0 %
Sales and Auxiliary Services	4,086,274	4,019,700	(66,574)	(1.6)
Indirect Costs Recovery	1,167,050	1,230,500	63,450	5.4
State and Local Grants & Contracts	20,492,861	17,564,200	(2,928,661)	(14.3)
Federal Grants & Contracts	25,572,993	22,418,000	(3,154,993)	(12.3)
Non-governmental Grants and Contracts	1,301,506	1,011,500	(290,006)	(22.3)
<b>Restricted Operating Budget</b>	<b>\$ 64,059,075</b>	<b>\$ 58,596,400</b>	<b>\$ (5,462,675)</b>	<b>(8.5) %</b>
<b>Total Operating Budget</b>	<b>\$ 154,972,075</b>	<b>\$ 152,996,400</b>	<b>\$ (1,975,675)</b>	<b>(1.3) %</b>

Expenditure Breakdown

Table 2  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 Fiscal Year 2026 Preliminary Operating Budget  
 (with comparable data provided for Fiscal Year 2025)

EXPENDITURES	FY2025 Budget	FY2026 Preliminary Budget	Annual Change	
			Dollar	Percent
<b>Unrestricted Operating Budget</b>				
Personal Services	\$ 69,757,202	\$ 73,152,654	\$ 3,395,452	4.9 %
Contractual Services	14,821,712	14,996,343	174,631	1.2
Travel	193,650	171,800	(21,850)	(11.3)
Commodities	818,150	758,917	(59,233)	(7.2)
Equipment	383,986	379,486	(4,500)	(1.2)
Telecommunications	176,700	176,700	-	0.0
Operations of Auto	24,000	23,500	(500)	(2.1)
Permanent Improvements	25,000	25,000	-	0.0
Awards and Grants	1,299,000	1,299,000	-	0.0
Health Insurance Reserve Fund	1,072,600	1,072,600	-	0.0
Debt Service	2,341,000	2,344,000	3,000	0.1
<b>Unrestricted Operating Budget</b>	<b>\$ 90,913,000</b>	<b>\$ 94,400,000</b>	<b>\$ 3,487,000</b>	<b>3.8 %</b>
<b>Restricted Operating Budget</b>				
Personal Services	\$ 12,072,804	\$ 10,677,500	\$ (1,395,304)	(11.6) %
Contractual Services	14,882,560	13,450,300	(1,432,260)	(9.6)
Travel	418,294	398,200	(20,094)	(4.8)
Commodities	595,385	533,900	(61,485)	(10.3)
Equipment	1,228,854	860,000	(368,854)	(30.0)
Telecommunications	48,260	48,400	140	0.3
Operations of Auto	5,680	5,700	20	0.4
Awards and Grants	31,287,548	30,149,500	(1,138,048)	(3.6)
Debt Service	3,519,690	2,472,900	(1,046,790)	(29.7)
<b>Restricted Operating Budget</b>	<b>\$ 64,059,075</b>	<b>\$ 58,596,400</b>	<b>\$ (5,462,675)</b>	<b>(8.5) %</b>
<b>Total Operating Budget</b>	<b>\$ 154,972,075</b>	<b>\$ 152,996,400</b>	<b>\$ (1,975,675)</b>	<b>(1.3) %</b>

**ACTION ITEM I. B. APPROVAL OF THE FY2026 PRELIMINARY OPERATING BUDGET**

**Recommended Action**

I request that the Board adopt the Audit Committee's and Finance, Buildings and Grounds Committee's joint recommendation to approve the FY2026 preliminary operating budget as presented.

**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

# Debt Financing History and Discussion


(May 15<sup>th</sup>, 2025)



## Current Debt Outstanding

Issue	Payment Source	Purpose	Original Par Amt.	Amount Outstanding	FY25 Debt Service	Call Date	Maturity Date	Remaining Rates
Series 2014-2 (UFS System)	System Net Rev., Pledged Tuition & Fees	Parking	\$10.64M	\$9.85M	\$1.23M	1/1/2025	7/1/2034	3.50 - 5.00%
Series 2015 (COPs)	Legally-Available Nonappropriated Funds Pledge	ERP Project	\$9.51M	\$1.09M	\$1.13M	Noncallable	7/1/2025	4.000%
Series 2012 (COPs)		El Centro	\$28.50M	\$21.67M	\$1.70M	10/1/2022	10/1/2041	3.40 - 4.10%
Series 2010 (COPs, BABs)		Energy Projects, Student Union	\$6.06M	\$2.30M	\$0.59M	10/1/2020	10/1/2028	5.625 - 6.00% (before rebate)
<b>University (Direct) Debt:</b>			<b>\$54.71M</b>	<b>\$34.91M</b>	<b>\$4.66M</b>			
Series 2015A (CHF-Cook)	Housing Revenue, Univ. Contributions	Nest	\$38.60M	\$35.42M	\$2.63M	7/1/2025	7/1/2047	5.000%
<b>Total Obligations (Direct + Indirect):</b>			<b>\$93.31M</b>	<b>\$70.33M</b>	<b>\$7.28M</b>			


- University's current (direct) debt outstanding is \$34.9M (originally \$54.7M)
- University is indirectly obligated for \$35.4M of debt issued through the Nest P3 arrangement.
- Debt Service for FY2025 is \$7.28m (Direct: \$4.66M Nest: \$2.62M)
- University last issued debt in 2015
  - Debt has funded a variety of projects and is secured with various revenue pledges.
  - As of 7/1/2025 all debt callable



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Evaluation of Debt


- University regularly monitors debt/obligations for opportunities to restructure the current debt portfolio.
  - General focus is on the ability to generate debt service savings, but removal of covenants or other restrictions/pledges, impact on the budget and changes in ownership/control can play a role.
- The most common saving opportunity is a tax-exempt refinancing of existing debt.
- Savings from refinancing involves a comparison of current payments (principal and interest) to pro forma payments following the refinancing.
  - Since debt is generally long-term (maturity > 10 years), the old/new debt service payments are compared on an NPV basis.
- Key factors that impact savings from a refinancing
  - Current interest rate environment
  - Market dynamics and bond pricing
  - University's credit ratings
  - Cost of bond insurance (if applicable, related to CR)
  - Reserve funds, covenants



## Credit Rating History Since 2017

Year Ending Dec 31	NEIU		Bond Insurers				Notes <sup>a</sup>
	Moody's	S&P	AGM		BAM		
	Moody's	S&P	Moody's	S&P	Moody's	S&P	
2024	Ba1 (Issuer) Ba2 (COPs)	BBB-	A1	AA	NR	AA	In July, S&P upgraded NEIU's rating to "BBB-" from "BB+." In August, Moody's raised NEIU's rating outlook to "Positive" from "Stable."
2023	Ba1 (Issuer) Ba2 (COPs)	BB+	A1	AA	NR	AA	
2022	Ba1 (Issuer) Ba2 (COPs)	BB+	A1	AA	NR	AA	In March, Moody's upgraded AGM's rating to "A1" from "A2." In April 2022, Moody's upgraded NEIU's issuer rating from "Ba2" to "Ba1" and upgraded the rating assigned to the University's outstanding COPs from "Ba3" to "Ba2"; both outlooks were "Stable." In May, S&P upgraded NEIU's rating to "BB+" from "BB."
2021	Ba2 (Issuer) Ba3 (COPs)	BB	A2	AA	NR	AA	In May 2021, S&P changed the outlook on all of the public universities in Illinois to "Stable" from "Negative." As a result of Moody's publication of an update to their higher education methodology in August 2021, an inaugural "Issuer" rating of "B2" was assigned to the University. However, the rating assigned to the University's outstanding UFS Bonds by Moody's remained "B3." Note Moody's does not rate the University's UFS Bonds. In December 2021, Moody's upgraded NEIU's issuer rating from "B2" to "Ba2" and upgraded the rating assigned to the University's outstanding COPs from "B3" to "Ba3"; both outlooks were "Stable." In December 2021, S&P improved the outlook on NEIU's rating to "Positive" from "Stable."
2020	B3	BB	A2	AA	NR	AA	In March, S&P upgraded NEIU's rating to "BB" from "B+"; the outlook was "Stable." On April, S&P changed its outlook on all Illinois public universities, including NEIU, to "Negative."
2019	B3	B+	A2	AA	NR	AA	In May, Moody's affirmed NEIU's "B3" rating and revised its outlook from "Negative" to "Stable."
2018	B3	B+	A2	AA	NR	AA	In September, S&P affirmed NEIU's "B+" rating.
2017	B3	B+	A2	AA	NR	AA	In April, Moody's downgraded NEIU's COPs to "B1" from "Ba2" and changed its outlook to "Under Review." In April, S&P downgraded NEIU's rating to "B" from "BB" and put NEIU on CreditWatch. In June, Moody's downgraded NEIU's COPs to "B3" from "B1" and changed its outlook to "Negative." In July, S&P upgraded NEIU to "B+" from "B" and changed its outlook to "Stable."

NR = Not rated. R= Regulatory Intervention.



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Expanding the Refinancing?

- Given that the University elected to propose a refinancing of the Nest, what is the advantage to considering an expansion of the borrowing.
  - Primarily efficiency. Sharing of fixed issuance costs, market presence (larger transactions attract more interest), minimize staff time.
- Current Certificates of Participation **Refinance?**
  - Series 2015 COPs (ERP Project): Last payment in 7/1/2025 → **No**
  - Series 2012 COPs (EI Centro): \$21.7M outstanding, remaining rates = 3.4% - 4.10% → **No (for now, probability of savings is low but keep option open)**
  - Series 2010 COPs (Energy projects, Student Union): \$2.3M outstanding, remaining rates (before Federal subsidy) = 5.625 - 6.00% → **No (for now, probability of savings is medium but keep option open)**
- Series 2014-2 UFS (Parking): Last bond of the UFS System
  - \$9.85M outstanding, remaining rates = 3.5% - 5%, \$2m in reserve funds
  - NPV breakeven to slightly negative (1.28%) but releases reserve funds from restrictions, allows restructuring of auxiliary functions, streamlining of operational structure and removes legal restrictions related to space use
  - University believes it can leverage the added flexibility enough to justify the \$0 to slightly negative cost. → **Yes (for now)**



## Expanding the Refinancing (cont.)?

- Should we fund additional or “New Money” projects by issuing debt?
- University leadership identified priority (capital) projects.
  - \$48.6M in potential projects were identified.
  - Projects prioritized based on impact on student experience (retention/recruitment), employee’s work environment and potential to generate revenue or operational savings.
  - Did we have known or identified funding sources for any of the projects (CDB, Grants, Fund Balances, Reserves, Fund Raising)?
    - Projects funded by other sources include \$13.97M (CDB), \$1M (Grants), \$2M (Fund balances), \$2M (reserves)
    - Funding sources still needed for \$29.6M of identified projects.
- University is proposing incorporating **\$15M/29.6M** of projects into the debt refinancing
  - Final Payment for Series 2015 COPs on 7/1/2025 (\$1.1M). At current rates, this annually budgeted \$1.1M would fund the annual debt service on the \$15M in new borrowing. Leaving the proposal budget neutral.
  - New projects identified by leadership would include Roof Repairs (\$7.7M), Elevator Repairs (\$2.5M), Swimming Pool Repair (\$2M), Workday/ERP Implementation (\$2.8M).

**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

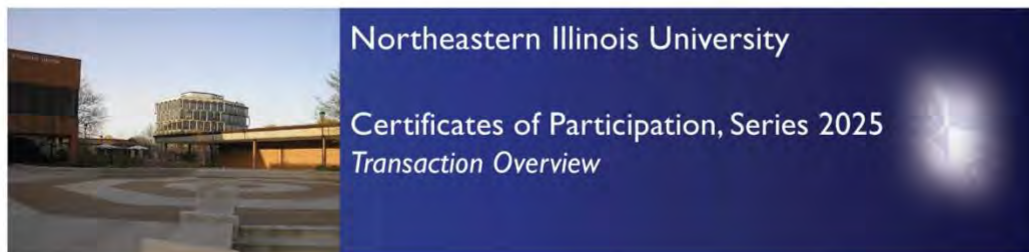
## Summary of Proposal

Issue	\$ Outstanding (FY25)	FY25 Debt Service*	Maturity Date	Issue	\$ Outstanding (FY26)	FY26 Debt Service*	FY27 Debt Service*	Maturity Date
Series 2014-2 (UFS System)	\$9.85M	\$1.23M	7/1/2034	Series 2014-2 (Refinanced)	\$8.81M	\$1.02M	\$1.25M	10/1/2034
Series 2015 (COPs)	\$1.09M	\$1.13M	7/1/2025	Series 2015 (COPs)	\$0.00M	\$0.00M	\$0.00M	NA
Series 2012 (COPs)	\$21.67M	\$1.70M	10/1/2041	Series 2012 (COPs)	\$20.81M	\$1.69M	\$1.69M	10/1/2041
Series 2010 (COPs, BABs)	\$2.30M	\$0.59M	10/1/2028	Series 2010 (COPs, BABs)	\$2.30M	\$0.62M	\$0.64M	10/1/2028
<b>University (Direct) Debt:</b>	<b>\$34.91M</b>	<b>\$4.66M</b>		New Money	\$15.03M	\$0.95M	\$1.08M	7/1/2050
Series 2015A (CHF-Cook)	\$35.42M	\$2.63M	7/1/2047	Series 2015A (Refinanced)	\$28.77M	\$1.93M	\$2.21M	7/1/2025
<b>Total Obligations (Direct + Indirect):</b>	<b>\$70.33M</b>	<b>\$7.28M</b>		<b>Total Obligations (Direct):</b>	<b>\$75.71M</b>	<b>\$6.21M</b>	<b>\$6.86M</b>	

\* Debt Service shown on an accrual basis consistent with NEIU accounting practice

1. Refinance (buy-out) the Nest P3 debt
2. Refinance Series 2014-A
3. Do not (at this time) refinance Series 2012 or Series 2010s
4. Fund \$15M in new projects

- Proposal would generate cashflow savings in FY26 and allow funding of essential projects while being budget neutral (relative to FY25). Proposal would also result in direct control of the University's housing project and allow for enhanced flexibility related to the University's auxiliary operations, particularly parking.



May 2025

**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

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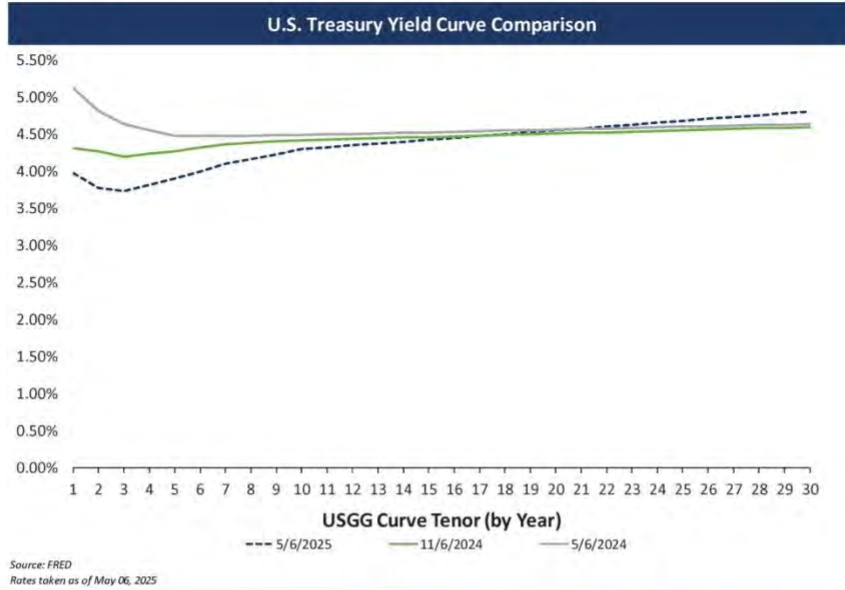
Section I	Market Update
Section II	Certificates of Participation, Series 2025
Appendix	
A-1	Summary of NEIU Debt Profile
A-2	NEIU Credit Metrics
A-3	Blue Rose at a Glance

## I. Market Update

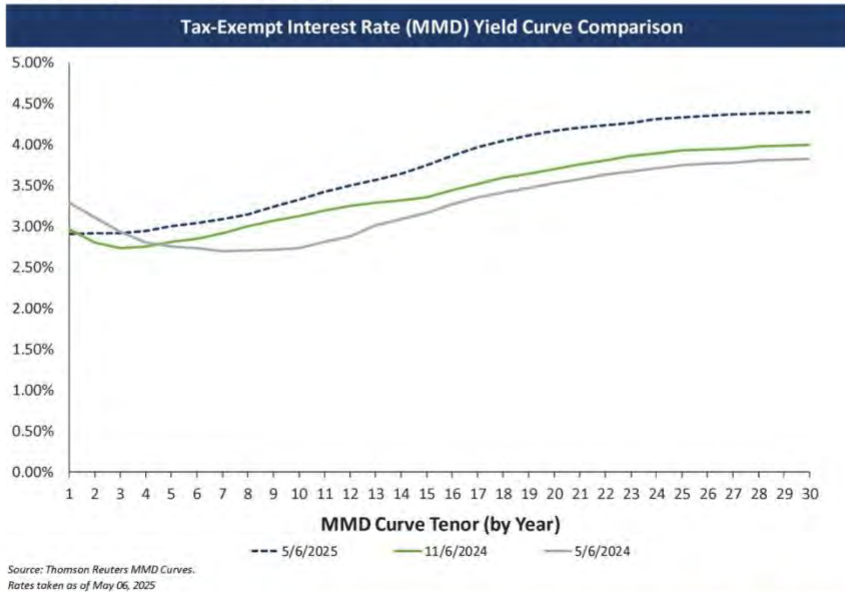


**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

**Market Update**



**Market Update (cont'd)**



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

**Market Update (cont'd)**

**AAA MMD and U.S. Treasuries - Change Over Time**

Maturity	Current			1-Month Change			6-Month Change			1-Year Change		
	AAA MMD	U.S. Treasury	Ratio	AAA MMD (bps)	U.S. Treasury (bps)	Ratio	AAA MMD (bps)	U.S. Treasury (bps)	Ratio	AAA MMD (bps)	U.S. Treasury (bps)	Ratio
1-Year	2.91%	3.98%	73%	48	12	10%	(5)	(33)	4%	(38)	(114)	9%
2-Year	2.92%	3.78%	77%	47	10	11%	12	(48)	12%	(19)	(105)	13%
3-Year	2.92%	3.73%	78%	43	7	10%	19	(50)	14%	(2)	(92)	15%
5-Year	3.00%	3.90%	77%	41	18	7%	19	(37)	11%	25	(59)	16%
7-Year	3.09%	4.10%	75%	37	26	5%	17	(27)	9%	39	(38)	15%
10-Year	3.33%	4.30%	77%	36	29	3%	20	(13)	7%	60	(19)	17%
30-Year	4.40%	4.81%	91%	41	40	1%	40	20	5%	57	18	9%

Sources: FRED and Thomson Reuters. Current rates taken as of May 6, 2025



**II. Certificates of Participation, Series 2025**



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

**Estimated Sources & Uses of Funds**

<u>Sources:</u>	Series 2025 Combined	CHF Ser. 2015A (The Nest) Refinancing	New Money Projects	UFS Ser. 2014-2 (Parking) Refinancing
Bond Principal	\$52,600,000	\$28,770,000	\$15,025,000	\$8,805,000
Bond Premium	1,948,476	1,000,535	459,562	488,379
Release of CHF Accounts				
Bond Fund	400,000	400,000	-	-
Debt Service Reserve Fund	2,600,000	2,600,000	-	-
Repair & Replacement Fund	800,000	800,000	-	-
Operations Contingency Fund	1,900,000	1,900,000	-	-
Surplus Fund	90,000	90,000	-	-
Total Sources	\$60,338,476	\$35,560,535	\$15,484,562	\$9,293,379
<u>Uses:</u>				
Deposit to Project Fund	\$15,000,000	-	\$15,000,000	-
Deposit to Refunding Escrow	-	-	-	-
Principal Redeemed	43,600,000	\$34,565,000	-	\$9,035,000
Accrued Interest	128,618	105,615	-	23,002
Costs of Issuance	425,000	232,457	121,400	71,143
Underwriter's Discount	308,000	168,463	87,979	51,558
Bond Insurance Premium	872,124	487,864	272,152	112,109
Rounding Amount	4,734	1,136	3,031	567
Total Uses	\$60,338,476	\$35,560,535	\$15,484,562	\$9,293,379



**Estimated Series 2025 Debt Service**

The Trustees of Northeastern Illinois University      Combined  
 Certificates of Participation, Series 2025  
 The Nest Refinancing, New Money Projects, and Parking Refinancing  
 Annual Debt Service - Combined

Fiscal Year Ending	Series 2025		
	Principal	Interest	Total
6/30/2026		1,837,404	1,837,404
6/30/2027	1,865,000	2,620,575	4,485,575
6/30/2028	1,955,000	2,525,075	4,480,075
6/30/2029	2,060,000	2,424,700	4,484,700
6/30/2030	2,165,000	2,319,075	4,484,075
6/30/2031	2,265,000	2,208,325	4,473,325
6/30/2032	2,380,000	2,092,200	4,472,200
6/30/2033	2,505,000	1,970,075	4,475,075
6/30/2034	2,625,000	1,841,825	4,466,825
6/30/2035	2,630,000	1,710,450	4,340,450
6/30/2036	1,640,000	1,603,700	3,243,700
6/30/2037	1,725,000	1,519,575	3,244,575
6/30/2038	1,810,000	1,431,200	3,241,200
6/30/2039	1,895,000	1,338,575	3,233,575
6/30/2040	2,000,000	1,241,200	3,241,200
6/30/2041	2,095,000	1,138,825	3,233,825
6/30/2042	2,205,000	1,029,947	3,234,947
6/30/2043	2,320,000	913,994	3,233,994
6/30/2044	2,430,000	792,275	3,222,275
6/30/2045	2,560,000	664,406	3,224,406
6/30/2046	2,695,000	529,747	3,224,747
6/30/2047	2,830,000	386,400	3,216,400
6/30/2048	2,980,000	233,888	3,213,888
6/30/2049	935,000	131,119	1,066,119
6/30/2050	990,000	80,588	1,070,588
6/30/2051	1,040,000	27,300	1,067,300
	\$2,600,000	\$4,612,442	\$7,212,442



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Estimated New Money Debt Service

The Trustees of Northeastern Illinois University  
 Certificates of Participation, Series 2025  
 The Nest Refinancing, New Money Projects, and Parking Refinancing  
 Annual Debt Service - New Money Projects

Fiscal Year Ending	New Money Projects			Total
	Principal	Coupon	Interest	
6/30/2026			528,727	528,727
6/30/2027	310,000	5.000%	759,756	1,069,756
6/30/2028	325,000	5.000%	743,881	1,068,881
6/30/2029	340,000	5.000%	727,256	1,067,256
6/30/2030	360,000	5.000%	709,756	1,069,756
6/30/2031	375,000	5.000%	691,381	1,066,381
6/30/2032	395,000	5.000%	672,131	1,067,131
6/30/2033	415,000	5.000%	651,881	1,066,881
6/30/2034	435,000	5.000%	630,631	1,065,631
6/30/2035	460,000	5.000%	608,256	1,068,256
6/30/2036	480,000	5.000%	584,756	1,064,756
6/30/2037	510,000	5.000%	560,006	1,070,006
6/30/2038	535,000	5.000%	533,881	1,068,881
6/30/2039	560,000	5.000%	506,506	1,066,506
6/30/2040	590,000	5.000%	477,756	1,067,756
6/30/2041	620,000	5.000%	447,506	1,067,506
6/30/2042	655,000	5.125%	415,222	1,070,222
6/30/2043	690,000	5.125%	380,756	1,070,756
6/30/2044	720,000	5.125%	344,625	1,064,625
6/30/2045	760,000	5.125%	306,700	1,066,700
6/30/2046	800,000	5.125%	266,725	1,066,725
6/30/2047	840,000	5.250%	224,175	1,064,175
6/30/2048	885,000	5.250%	178,894	1,063,894
6/30/2049	935,000	5.250%	131,119	1,066,119
6/30/2050	990,000	5.250%	80,588	1,070,588
6/30/2051	1,040,000	5.250%	27,300	1,067,300
	15,025,000		12,190,173	27,215,173



## Pro Forma University Debt Service

The Trustees of Northeastern Illinois University  
 Certificates of Participation, Series 2025  
 Estimated Pro Forma University Debt Service

Fiscal Year Ending	Certificates of Participation								
	Series 2025			Prior Certificates <sup>1</sup>			Combined		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
6/30/2026		1,837,404	1,837,404	2,465,000	928,748	3,393,748	2,465,000	2,766,152	5,231,152
6/30/2027	1,865,000	2,620,575	4,485,575	1,425,000	856,727	2,281,727	3,290,000	3,477,302	6,767,302
6/30/2028	1,955,000	2,525,075	4,480,075	1,510,000	803,099	2,313,099	3,465,000	3,328,174	6,793,174
6/30/2029	2,060,000	2,424,700	4,484,700	1,680,000	743,784	2,423,784	3,740,000	3,168,484	6,908,484
6/30/2030	2,165,000	2,319,075	4,484,075	1,090,000	692,298	1,782,298	3,255,000	3,011,373	6,266,373
6/30/2031	2,265,000	2,208,325	4,473,325	1,135,000	651,124	1,786,124	3,400,000	2,859,449	6,259,449
6/30/2032	2,380,000	2,092,200	4,472,200	1,175,000	607,518	1,782,518	3,555,000	2,699,718	6,254,718
6/30/2033	2,505,000	1,970,075	4,475,075	1,225,000	561,611	1,786,611	3,730,000	2,531,686	6,261,686
6/30/2034	2,625,000	1,841,825	4,466,825	1,270,000	513,265	1,783,265	3,895,000	2,355,090	6,250,090
6/30/2035	2,630,000	1,710,450	4,340,450	1,325,000	462,000	1,787,000	3,955,000	2,172,450	6,127,450
6/30/2036	1,640,000	1,603,700	3,243,700	1,375,000	408,000	1,783,000	3,015,000	2,011,700	5,026,700
6/30/2037	1,725,000	1,519,575	3,244,575	1,350,000	353,500	1,703,500	3,075,000	1,873,075	4,948,075
6/30/2038	1,810,000	1,431,200	3,241,200	1,425,000	298,000	1,723,000	3,235,000	1,729,200	4,964,200
6/30/2039	1,895,000	1,338,575	3,233,575	1,510,000	239,300	1,749,300	3,405,000	1,577,875	4,982,875
6/30/2040	2,000,000	1,241,200	3,241,200	1,595,000	176,403	1,771,403	3,595,000	1,417,603	5,012,603
6/30/2041	2,095,000	1,138,825	3,233,825	1,690,000	109,060	1,799,060	3,785,000	1,247,885	5,032,885
6/30/2042	2,205,000	1,029,947	3,234,947	1,815,000	37,208	1,852,208	4,020,000	1,067,154	5,087,154
6/30/2043	2,320,000	913,994	3,233,994				2,320,000	913,994	3,233,994
6/30/2044	2,430,000	792,275	3,222,275				2,430,000	792,275	3,222,275
6/30/2045	2,560,000	664,406	3,224,406				2,560,000	664,406	3,224,406
6/30/2046	2,695,000	529,747	3,224,747				2,695,000	529,747	3,224,747
6/30/2047	2,830,000	386,400	3,216,400				2,830,000	386,400	3,216,400
6/30/2048	2,980,000	233,888	3,213,888				2,980,000	233,888	3,213,888
6/30/2049	935,000	131,119	1,066,119				935,000	131,119	1,066,119
6/30/2050	990,000	80,588	1,070,588				990,000	80,588	1,070,588
6/30/2051	1,040,000	27,300	1,067,300				1,040,000	27,300	1,067,300
	52,600,000	34,612,442	87,212,442	25,060,000	8,441,642	33,501,642	77,660,000	43,054,084	120,714,084

<sup>1</sup> Includes Series 2015, Series 2012, and Series 2010.



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Financing Execution of Capital Markets Transaction

➤ **Key Financing Participants**

- Issuer: Northeastern Illinois University
- Bond Counsel: Chapman & Cutler
- Senior Underwriter: Stifel (from 2022 RFP)
- Co-Managing Underwriter: Valdes & Moreno
- Underwriter's Counsel: Nixon Peabody
- Financial Advisor: Blue Rose Capital Advisors
- Rating Agency: Standard & Poor's
- Trustee: US Bank
- Bond Insurer: TBD

➤ **Key Events and Next Steps**

- Kickoff Call (February 2025)
- Development Plan of Finance (February-March)
- Communicate intent to acquire Nest (March)
- Prepare documentation (March-July)
- S&P Rating Meeting (April 29)

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- NEIU Finance, Buildings and Grounds Committee (May 15)

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- NEIU Board of Trustees Meeting (June 5)
- Market Ready Position (June ~ July)
- Price Series 2025 COPs (June ~ July)
- Transaction Closing (July ~ August)

## Board Authorizing Resolution

- Draft Board resolution available
- Resolution by the BOT to authorize and direct the President, General Counsel and Treasurer to take the necessary actions to issue the Series 2025 Certificates subject to certain conditions.
  - “Series 2025 Certificates to be issued will not exceed an aggregate principal amount of \$90,000,000”
    - Current plan of finance is to fund approximately is \$60M with a mix of approximately \$52.6M of bonds plus additional fund balances.
    - The bond issuance would approach the higher level if the Series 2012 (El Centro - \$21.67M) and Series 2010 (Energy Projects, Student Union - \$2.3M) were included.
    - The higher threshold is to allow flexibility in the event of unexpected events and/or market opportunities.

**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

**APPENDIX**



**A-I Summary of NEIU Debt Profile**



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Current Debt Profile Summary

**Northeastern Illinois University**  
 Summary of Outstanding Debt for Fiscal Year 2026

*University Facilities System Revenue Bonds*

Date	Issue	Original Par Amount	Par Amount as of 6/30/2025	Final Maturity	Remaining Interest Rates	Purpose	Security	Credit Enhancement	1st Optional Redemption	Senior Underwriter	Bond Counsel	Financial Advisor
12/23/2014	UFS Revenue Bonds, Series 2014-2 (Parking)	\$10,640,000	\$9,850,000	7/1/2034	3.50 - 5.00%	Current Ref. Series 2004	System Net Revenues, Pledged Tuition, & Pledged Fees	BAM	1/1/2025	Competitive Sale Hutcherson Shockey	Chapman & Cutler	JSVCo
<b>Total UFS Revenue Bonds:</b>		<b>\$10,640,000</b>	<b>\$9,850,000</b>									

*Certificates of Participation*

7/21/2015	Certificates of Participation, Series 2015 (ERP Project)	\$9,510,000	\$1,080,000	7/1/2025	4.000%	Current Ref. Series 2006 COPs	Legally-Available Nonappropriated Funds Pledge	AGM	Noncallable	Competitive Sale Hutcherson Shockey	Chapman & Cutler	Blue Rose Capital Advisors
11/14/2012	Certificates of Participation, Series 2012 (EI Centro)	28,500,000	21,870,000	10/1/2041	3.40 - 4.10%	New Money EI Centro Campus Project	Legally-Available Nonappropriated Funds Pledge	-	10/1/2022	Competitive Sale Edward Jones	Chapman & Cutler	JSVCo
9/8/2010	Certificates of Participation, Series 2010 (Taxable Build America Bonds) (Energy Projects)	6,000,000	2,300,000	10/1/2028	5.625 - 8.00%	New Money Energy Savings	Legally-Available Nonappropriated Funds Pledge	-	10/1/2020	Competitive Sale Edward Jones	Chapman & Cutler	JSVCo
<b>Total Certificates of Participation:</b>		<b>\$44,070,000</b>	<b>\$25,060,000</b>									

**Combined Total: \$54,710,000 \$34,910,000**

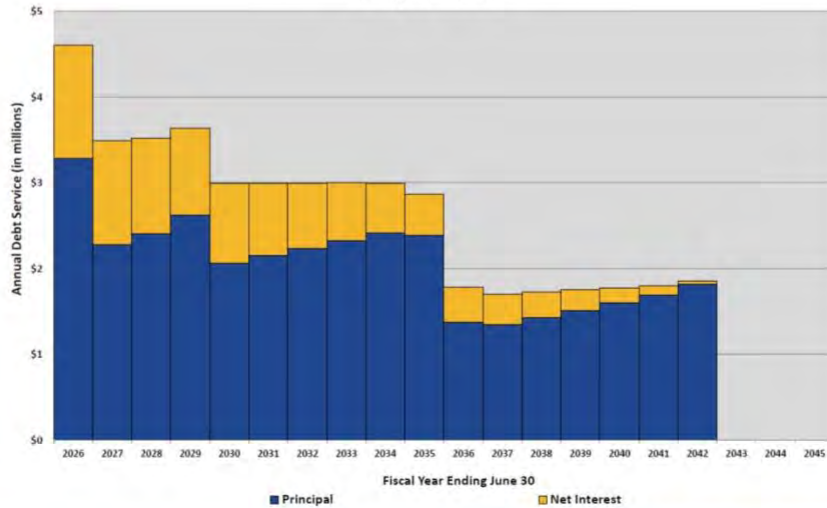
*Illinois Finance Authority, Student Housing Revenue Bonds*

5/7/2015	CHF Cook LLC - NEIU Project, Series 2015A (The Nest)	\$38,595,000	\$38,420,000	7/1/2047	5.000%	New Project The Nest Housing Project	Project Revenues, Maintenance of 1.20x Coverage Ratio	NEIU Occupancy Commitment Pledge	7/1/2025	RBC Capital Markets	Chapman & Cutler	-
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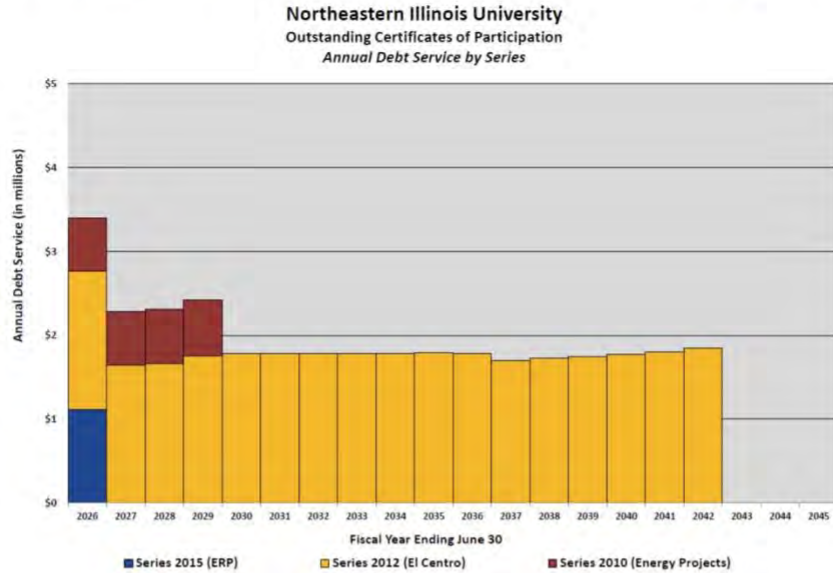
## NEIU Annual Principal & Interest

**Northeastern Illinois University**  
 Combined Annual Debt Service  
 Principal & Interest



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Certificates of Participation Debt Service by Series



## The Nest – CHF Series 2015A Debt Service

**Illinois Finance Authority**  
**Student Housing Revenue Bonds**

**CHF Cook LLC - Northeastern Illinois University Project, Series 2015A**  
*Outstanding Annual Debt Service Requirements*

Fiscal Year Ending	Principal <sup>1</sup>	Rate	Interest <sup>1</sup>	Total Debt Service
6/30/2026	855,000	5.000%	1,749,625	2,604,625
6/30/2027	900,000	5.000%	1,705,750	2,605,750
6/30/2028	945,000	5.000%	1,659,625	2,604,625
6/30/2029	990,000	5.000%	1,611,250	2,601,250
6/30/2030	1,040,000	5.000%	1,560,500	2,600,500
6/30/2031	1,090,000	5.000%	1,507,250	2,597,250
6/30/2032	1,145,000	5.000%	1,451,375	2,596,375
6/30/2033	1,205,000	5.000%	1,392,625	2,597,625
6/30/2034	1,265,000	5.000%	1,330,875	2,595,875
6/30/2035	1,325,000	5.000%	1,266,125	2,591,125
6/30/2036	1,385,000	5.000%	1,198,125	2,583,125
6/30/2037	1,460,000	5.000%	1,126,750	2,586,750
6/30/2038	1,535,000	5.000%	1,051,875	2,586,875
6/30/2039	1,610,000	5.000%	973,250	2,583,250
6/30/2040	1,695,000	5.000%	890,625	2,585,625
6/30/2041	1,775,000	5.000%	803,875	2,578,875
6/30/2042	1,865,000	5.000%	712,875	2,577,875
6/30/2043	1,960,000	5.000%	617,250	2,577,250
6/30/2044	2,055,000	5.000%	516,875	2,571,875
6/30/2045	2,160,000	5.000%	411,500	2,571,500
6/30/2046	2,270,000	5.000%	300,750	2,570,750
6/30/2047	2,380,000	5.000%	184,500	2,564,500
6/30/2048	2,500,000	5.000%	62,500	2,562,500
	<b>35,420,000</b>		<b>24,085,750</b>	<b>59,505,750</b>

Call Feature: Callable on 7/1/2025 at 100%.

<sup>1</sup> Principal matures on the preceding July 1.



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

**A-2 NEIU Credit Metrics**



**Historical Credit Ratings**

**Northeastern Illinois University**  
 Credit Rating History (Since 2017)

Year Ending Dec 31	NEIU		Bond Insurers				Notes *
	Moody's	S&P	AGM		BAM		
2024	Ba1 (Issuer) Ba2 (COPs)	BBB-	A1	AA	NR	AA	In July, S&P upgraded NEIU's rating to "BBB-" from "BB+." In August, Moody's raised NEIU's rating outlook to "Positive" from "Stable."
2023	Ba1 (Issuer) Ba2	BB+	A1	AA	NR	AA	
2022	Ba1 (Issuer) Ba2 (COPs)	BB+	A1	AA	NR	AA	In March, Moody's upgraded AGM's rating to "A1" from "A2." In April 2022, Moody's upgraded NEIU's issuer rating from "Ba2" to "Ba1" and upgraded the rating assigned to the University's outstanding COPs from "Ba3" to "Ba2", both outlooks were "Stable." In May, S&P upgraded NEIU's rating to "BB+" from "BB."
2021	Ba2 (Issuer) Ba3 (COPs)	BB	A2	AA	NR	AA	In May 2021, S&P changed the outlook on all of the public universities in Illinois to "Stable" from "Negative." As a result of Moody's publication of an update to their higher education methodology in August 2021, an inaugural "Issuer" rating of "B2" was assigned to the University. However, the rating assigned to the University's outstanding COPs rating by Moody's remained "B3." Note Moody's does not rate the University's UFS Bonds. In December 2021, Moody's upgraded NEIU's issuer rating from "B2" to "Ba2" and upgraded the rating assigned to the University's outstanding COPs from "B3" to "Ba3", both outlooks were "Stable." In December 2021, S&P improved the outlook on NEIU's rating to "Positive" from "Stable."
2020	B3	BB	A2	AA	NR	AA	In March, S&P upgraded NEIU's rating to "BB" from "B+"; the outlook was "Stable." On April, S&P changed its outlook on all Illinois public universities, including NEIU, to "Negative."
2019	B3	B+	A2	AA	NR	AA	In May, Moody's affirmed NEIU's "B3" rating and revised its outlook from "Negative" to "Stable."
2018	B3	B+	A2	AA	NR	AA	In September, S&P affirmed NEIU's "B+" rating.
2017	B3	B+	A2	AA	NR	AA	In April, Moody's downgraded NEIU's COPs to "B1" from "Ba2" and changed its outlook to "Under Review." In April, S&P downgraded NEIU's rating to "B" from "BB" and put NEIU on CreditWatch. In June, Moody's downgraded NEIU's COPs to "B3" from "B1" and changed its outlook to "Negative." In July, S&P upgraded NEIU to "B+" from "B" and changed its outlook to "Stable."

NR = Not rated, R= Regulatory Intervention.

**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Credit Ratings of Illinois Public Universities

Credit Ratings of Illinois Public Universities  
 Credit Ratings Current as of May 1, 2025

	Moody's Investor Service			Standard & Poor's			Fitch Ratings		
	Rating	Outlook	Last Report	Rating	Outlook	Last Report	Rating	Outlook	Last Report
State of Illinois (IL) (GO Credit)	A3	Positive	Aug '24	A-	Stable	Sep '24	A-	Stable	Sep '24
Chicago State University (CSU)	Not Rated			Not Rated			Not Rated		
Eastern Illinois University (EIU)	Baa3	Ba1	Stable	Jul '24	BBB-	Positive	Sep '24	Not Rated	
Governors State University (GSU)	Not Rated			BBB	Stable	May '24	Not Rated		
Illinois State University (ISU)	A2	Stable		Jul '24	A	Stable	Jul '24	Not Rated	
Northeastern Illinois University (NEIU)	Ba1	Ba2	Positive	Aug '24	BBB-	Stable	Jul '24	Not Rated	
Northern Illinois University (NIU)	Baa3	Ba1	Negative	Oct '24	Not Rated			Not Rated	
Southern Illinois University (SIU)	Baa2	Baa3	Stable	Sep '24	A-	Stable	Apr '25	Not Rated	
University of Illinois (UI)	Aa2		Stable	Jan '25	AA-	Positive	Dec '24	Not Rated	
Western Illinois University (WIU)	Not Rated			BBB-	Negative	Sep '24	Not Rated		



## NEIU Credit Metric Trends

Northeastern Illinois University

Key Moody's Metrics - 5-Year Trend Analysis

	Northeastern Illinois University (Ba1)					Trendline	CAGR	Ranked Trend
	2020	2021	2022	2023	2024			
Total Debt (\$, in Millions)	\$49	\$46	\$44	\$41	\$38		-6.2%	↓
Total Adjusted Debt (\$, in Millions)	\$80	\$75	\$72	\$68	\$64		-5.4%	↓
Total Cash & Investments (\$, in Millions)	\$80	\$104	\$106	\$107	\$114		9.3%	↑
Spendable Cash & Investments (\$, in Millions)	\$67	\$90	\$91	\$92	\$98		10.0%	↑
Operating Revenue (\$, in Millions)	\$170	\$201	\$170	\$134	\$139		-4.9%	↑
Operating Expenses (\$, in Millions)	\$167	\$185	\$171	\$135	\$141		-4.2%	↓
Operating Margin (%)	1.9%	8.0%	-0.6%	-0.7%	-1.1%			↑
Monthly Days Cash on Hand (x)	124x	134x	158x	208x	234x		14.8%	↑
Total FTE Enrollment (#)	4,672	4,156	3,797	3,609	3,751		-5.8%	↑
Net Tuition per Student (\$)	\$12,843	\$12,840	\$11,522	\$14,205	\$13,905		2.0%	↑
Spendable Cash & Investments to Total Debt (x)	1.57x	1.96x	2.07x	2.24x	2.58x		17.2%	↑
Spendable Cash & Investments to Total Adjusted Debt (x)	0.84x	1.20x	1.28x	1.35x	1.53x		16.3%	↑
Total Cash & Investments to Total Debt (x)	1.63x	2.26x	2.41x	2.61x	3.00x		16.4%	↑
Total Cash & Investments to Total Adjusted Debt (x)	1.00x	1.39x	1.47x	1.57x	1.78x		15.5%	↑
Total Debt to Cash Flow (x)	3.77x	1.91x	6.47x	4.70x	4.72x		5.7%	↓
Operating Cash Flow Margin (%)	7.6%	12.0%	4.0%	6.5%	5.8%		-6.5%	↑
Debt Service to Operating Expenses (%)	2.7%	2.4%	2.6%	3.3%	3.2%		4.3%	↓
Spendable Cash & Investments to Operating Expenses (x)	0.40x	0.49x	0.53x	0.66x	0.70x		14.8%	↑
Annual Debt Service Coverage (x)	2.9x	3.5x	1.5x	2.0x	1.8x		-11.2%	↑
Maximum Single Contribution (%)	48.0%	53.0%	50.6%	41.8%	45.3%		-1.4%	↓
Estimated Scorecard Rating Outcome	Ba1	A3	Ba1	A3	A3		N/A	↑

Source: Moody's Investor Services NPRA Database as of May 2025.

← NEIU Trend = Positive

← NEIU Trend = Negative



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Moody's Scorecard Trends

**Northeastern Illinois University**  
 Historical Moody's Scorecard Analysis

Factor	Weight	Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023		Fiscal Year 2024	
		Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score
<b>Factor 1: Scale (15%)</b>	15%										
Operating Revenue (\$, in Millions)		170	7.0	201	6.7	170	7.0	134	7.2	139	7.2
<b>Factor 2: Market Profile (20%)</b>											
Brand and Strategic Positioning <sup>1</sup>	10%	Qualitative	15.0	Qualitative	15.0	Qualitative	15.0	Qualitative	15.0	Qualitative	15.0
Operating Environment <sup>2</sup>	10%	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0
<b>Factor 3: Operating Performance (10%)</b>											
Operating Cash Flow Margin (%)	10%	7.6%	7.7	12.0%	5.8	4.0%	9.9	6.5%	8.4	5.8%	8.8
<b>Factor 4: Financial Resources and Liquidity (25%)</b>											
Total Cash & Investments (\$, in Millions)	10%	80	5.3	104	4.5	106	4.5	107	4.5	114	4.5
Total C&I to Operating Expenses (x)	15%	0.48x	7.7	0.56x	6.8	0.62x	6.1	0.79x	4.2	0.81x	4.1
<b>Factor 5: Leverage (20%)</b>											
Total C&I to Total Adjusted Debt (x)	10%	1.00x	4.5	1.39x	3.9	1.47x	3.8	1.57x	3.6	1.78x	3.3
Annual Debt Service Coverage (x)	10%	2.90x	3.2	5.50x	0.8	1.50x	7.5	2.00x	4.5	1.80x	5.7
<b>Factor 6: Financial Policy and Strategy (10%)</b>											
Financial Policy and Strategy <sup>3</sup>	10%	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0
<b>Weighted Total Score:</b>			7.57		6.82		7.82		7.13		7.24
<b>Estimated Scorecard Rating Outcome:</b>			<b>Baa1</b>		<b>A3</b>		<b>Baa1</b>		<b>A3</b>		<b>A3</b>
<b>Current Moody's Rating:</b>			<b>Ba2</b>		<b>Ba2</b>		<b>Ba2</b>		<b>Ba2</b>		<b>Ba2</b>

<sup>1</sup> The Brand and Strategic Positioning factor incorporates qualitative evaluation of broad criteria related to an institution's brand strength and ability to leverage that brand to support its operating stability and growth. In this analysis, the University is assigned a score of "B" corresponding to its most recent Moody's rating report published on August 28, 2024.

<sup>2</sup> The Operating Environment factor incorporates qualitative evaluation of broad criteria related to the regulatory, policy, and support framework under which a college or university operates. In this analysis, the University is assigned a score of "Baa" corresponding to its most recent Moody's rating report published on August 28, 2024.

<sup>3</sup> The Financial Policy and Strategy factor incorporates qualitative evaluation of broad criteria related to the quality of a college or university's financial management and strategy, with a focus on its track record of planning, investment, and risk management. In this analysis, the University is assigned a score of "Baa" corresponding to its most recent Moody's rating report published on August 28, 2024. Source: Moody's Investor Services MFRA Database as of May 2025.



## Peer Scorecard Comparison

**Northeastern Illinois University**  
 Moody's Scorecard Comparison to Peer Institutions

Factor	Weight	Northwestern Illinois University	University of Illinois	Illinois State University	Southern Illinois University	Eastern Illinois University	Northern Illinois University						
		Factor	Score	Factor	Score	Factor	Score	Factor	Score				
<b>Factor 1: Scale (15%)</b>	15%												
Operating Revenue (\$, in Millions)		139	7.2	6,811	0.5	530	4.5	1,056	3.7	172	7.0	409	5.2
<b>Factor 2: Market Profile (20%)</b>													
Brand and Strategic Positioning <sup>1</sup>	10%	Qualitative	15.0	Qualitative	3.0	Qualitative	6.0	Qualitative	9.0	Qualitative	12.0	Qualitative	9.0
Operating Environment <sup>2</sup>	10%	Qualitative	9.0	Qualitative	3.0	Qualitative	6.0	Qualitative	9.0	Qualitative	9.0	Qualitative	9.0
<b>Factor 3: Operating Performance (10%)</b>													
Operating Cash Flow Margin (%)	10%	5.8%	8.8	11.9%	5.9	6.0%	8.7	5.0%	9.3	10.8%	6.3	1.5%	11.6
<b>Factor 4: Financial Resources &amp; Liquidity (25%)</b>													
Total Cash & Investments (\$, in Millions)	10%	114	4.5	7,599	0.5	571	3.9	746	3.7	219	4.4	279	4.3
Total C&I to Operating Expenses (x)	15%	0.81x	4.1	1.19x	1.9	1.07x	2.6	0.68x	5.2	1.28x	1.5	0.64x	5.8
<b>Factor 5: Leverage (20%)</b>													
Total C&I to Total Adjusted Debt (x)	10%	1.78x	3.3	4.91x	0.5	3.21x	1.4	3.60x	1.2	3.98x	1.0	1.03x	4.5
Annual Debt Service Coverage (x)	10%	1.80x	5.7	8.30x	0.5	1.50x	7.5	2.20x	4.2	2.10x	4.4	0.60x	12.9
<b>Factor 6: Financial Policy and Strategy (10%)</b>													
Financial Policy and Strategy <sup>3</sup>	10%	Qualitative	9.0	Qualitative	3.0	Qualitative	6.0	Qualitative	9.0	Qualitative	9.0	Qualitative	12.0
<b>Weighted Total Score:</b>			7.24		2.00		5.01		5.87		5.87		7.97
<b>Estimated Scorecard Rating Outcome:</b>			<b>A3</b>		<b>Aa1</b>		<b>A1</b>		<b>A2</b>		<b>A2</b>		<b>Baa1</b>
<b>Current Moody's Rating:</b>			<b>Ba2</b>		<b>Aa2</b>		<b>A2</b>		<b>Baa2</b>		<b>Baa3</b>		<b>Baa3</b>

<sup>1</sup> Brand and Strategic Positioning factor incorporates qualitative evaluation of broad criteria related to an institution's brand strength and ability to leverage that brand to support its operating stability and growth. In this analysis, each university is assigned a score corresponding to its current rating category (i.e. "Aa," "A," or "Baa").

<sup>2</sup> Operating Environment factor incorporates qualitative evaluation of broad criteria related to the regulatory, policy, and support framework under which a college or university operates. In this analysis, each university is assigned a score corresponding to its current rating category (i.e. "Aa," "A," or "Baa").

<sup>3</sup> Financial Policy and Strategy factor incorporates qualitative evaluation of broad criteria related to the quality of a college or university's financial management and strategy, with a focus on its track record of planning, investment, and risk management. In this analysis, each university is assigned a score corresponding to its current rating category (i.e. "Aa," "A," or "Baa").

Source: Moody's Investor Services MFRA Database as of May 2025. All results are based on FY 2024 operating data, except UofI and NIU, which are FY23 operating data.



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Credit Rating Scale Overview

### Standard & Poor’s Rating Scale

<b>AA</b>	Very strong capacity to meet financial commitments
<b>A</b>	Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances
<b>BBB</b>	Adequate capacity to meet financial commitments, but more subject to adverse economic conditions

### Moody’s Rating Scale

<b>Aa</b>	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk
<b>A</b>	Obligations rated A are considered upper medium-grade and are subject to low credit risk
<b>Baa</b>	Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

Long-Term Rating Scales		
Moody’s	S&P	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
Ba	BB	BB
B	B	B
Caa	CCC	CCC

NR = Not Rated

For more information on credit rating definitions, see:  
<https://www.spglobal.com/ratings/en/about/understanding-credit-ratings>  
<https://ratings.moody’s.io/ratings#rating-scale>

## A-3

## Blue Rose at a Glance



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Blue Rose Capital Advisors at a Glance

- Full-service independent financial advisory firm
- Higher Education Focus
- National reach with advisors across the country
- 14 employees and 10 registered advisors
- 115+ years combined experience in finance
- \$125+ billion worth of financings to date
- Focus on higher education and non-profit sectors
- Broad array of debt advisory and consulting services

### Blue Rose Registered Advisors

 Johan Rosenberg <i>Chairman</i>	 Justin Krieg <i>Senior Vice President</i>	 John Elliott <i>Vice President &amp; Chief Compliance Officer</i>
 Erik Kelly <i>President</i>	 Brandon Lippold <i>Vice President</i>	 Ben Pietrek <i>Associate</i>
 James McNulty <i>Managing Director</i>	 Georgina Wallshauser <i>Vice President</i>	
 Scott Talcott <i>Senior Vice President</i>	 Max Wilkinson <i>Vice President</i>	

### Advisor Locations

- Minneapolis
- Chicago
- New York
- California
- Florida



### Service Categories

Debt Advisory	Derivatives Services	Reinvestment Advisory	P3 & Additional Advisory Services
			

### Regulatory Registrations

Securities and Exchange Commission	Municipal Securities Rulemaking Board
	

### Sector Served

Higher Education	Non-Profit	Charter Schools	K-12	Healthcare	Government	Corporate
						



## James McNulty



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James McNulty, Managing Director, joined Blue Rose in 2014. Previously, Mr. McNulty worked for John S. Vincent & Company, a financial advisory firm focused exclusively on higher education institutions, for eight years. He specializes in providing project management and financial and structural analysis for higher education financings. He also provides ongoing long-term capital planning that incorporates debt capacity modeling and credit analysis. Mr. McNulty directs the Blue Rose Pricing Desk, supervising all fixed rate bond pricings for the firm. Mr. McNulty currently serves as the lead financial advisor to Purdue University, Illinois State University, Southern Illinois University, Wright State University, Denison University, and Butler University, among many other Midwest public and private higher education institutions.

Mr. McNulty holds a master's degree from the University of Chicago Booth School of Business and a bachelor's degree from the University of Chicago. Mr. McNulty passed the MSRB Series 50 Examination to become a qualified municipal advisor representative and the MSRB Series 54 Examination to become a qualified municipal advisor principal. He is also a CFA® charterholder, a CAIA® charterholder, a CFP® professional, and a Certified Treasury Professional (CTP).



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## Justin Krieg



Justin Krieg, Ph.D.  
Senior Vice President

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Justin Krieg, Ph.D., Senior Vice President, joined the TRIL, Blue Rose's parent company, in 2018. Dr. Krieg provides financial and economic consulting services to the firm's clients. Within the firm's Public-Private Partnership (P3) advisory practice, Dr. Krieg utilizes his knowledge and experience to assist clients in understanding the P3 approach to procurement, determining the appropriateness of the range of delivery methods, and ensuring that the long-term P3 partnerships rest on a secure financial and economic foundation. This often involves critically analyzing the dynamic cash flow models that underpin P3 projects, which requires extensive validation and study to ensure they are accurate, complete and portray results across a wide range of outcomes and scenarios. Dr. Krieg's recent work includes engagements for both public and private higher education institutions. These engagements range from preliminary evaluations to project delivery and discussions on restructuring of existing partnerships for student housing, active adult communities and energy/utility related projects.

In addition to P3 projects, Dr. Krieg provides as needed consulting services to the firm's clients in areas including data analysis, scenario modeling, forecasting, contract review and economic modeling.

Dr. Krieg holds a Ph.D. in Economics from Purdue University, a master's degree in Economics from Purdue University, and a bachelor's degree in Financial Economics from Western Washington University. He also passed the MSRB Series 50 Examination to become a qualified municipal advisor representative. Dr. Krieg also currently serves as a Commissioner on the Shakopee Public Utility Commission (SPUC), which oversees the city of Shakopee's municipal electric and water utility.



## Ben Pietrek



Ben Pietrek  
Associate

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In his role of Associate, Ben Pietrek provides analytical and research support to the lead advisory team for Blue Rose's debt, derivative, and reinvestment transactions for higher education, non-profit, and government clients. He is also responsible for executing pricing opinions and credit and debt capacity analyses.

Prior to Blue Rose, Mr. Pietrek worked for Altra Federal Credit Union where he drafted and filed various mortgage-related legal documents, along with preparing quarterly reports for management and assisted in creating annual reports for FHLB auditors. He has also held internships with Rockaway Capital and the Idea Fund of La Crosse where he assisted with various financial and analytical projects. Mr. Pietrek joined Blue Rose in 2021 as an Analyst.

Mr. Pietrek holds a Bachelor of Science degree in finance from the University of Wisconsin – La Crosse. He passed the MSRB Series 50 Examination to become a qualified municipal advisor representative.



**ACTION ITEM I. C. APPROVAL OF UNIVERSITY DEBT REFINANCING**

## About the Blue Rose / Disclaimer



### About the Blue Rose

The blue rose, which does not exist in nature, symbolizes that which is rare and difficult to obtain. The color blue represents opportunities and new beginnings, and so the blue rose conveys the excitement and possibilities of a new venture. Blue also is the color associated with those who are analytical, intelligent, responsible, optimistic and practical, traits we value and encourage in our professionals. At Blue Rose Capital Advisors, it is our goal to seek out new opportunities for our clients, and with meticulous and enthusiastic service, help them create optimal solutions and overcome their most formidable challenges.

### Disclaimer

Blue Rose Capital Advisors (Blue Rose) is an independent financial advisory firm that is registered with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor. The information and materials contained herein should not be construed as "advice" within the meaning of the Securities Exchange Act of 1934, and the information and materials contained in any report or correspondence from Blue Rose are not intended to be "advice" unless the recipient has engaged Blue Rose to provide advisory services. Information contained in any of our reports, website pages, presentations or correspondence is for use by the person or entity that has requested such information or contracted with us for services. When using this information, you must use your own judgment and expertise to evaluate and assess the value of the information presented for its particular purposes. The information cannot be substituted for the proper exercise of independent business judgment and analysis. Blue Rose is not an accounting firm and does not provide accounting advice.

**ACTION ITEM I. D. APPROVAL OF EXPENDITURES OF AT LEAST \$250,000**

The University has retained the firm of Davis & Campbell, LLC to represent Northeastern with legal services in connection with litigation, labor negotiations and general employment matters. The University has engaged Davis & Campbell for the past several years because of its unique expertise in these matters at Northeastern, as well as for its significant experience working with other public entities across the state of Illinois. Historically, the University has not incurred expenses with this firm for the services outlined beyond the \$250,000 threshold.

Because of the complexity of the matters facing the University, the best possible estimate for the total expenditure for legal expenses will exceed \$250,000, but are not expected to exceed \$300,000. Board of Trustees approval is requested for the expenditure for the continued retention of the firm Davis & Campbell, LLC.

**Requested action:**

I request that the Board approve the contract with Davis & Campbell, LLC for expenses up to \$300,000 for legal services in connection with litigation, labor negotiations and general employment matters.

Original Contract Amount:	\$90,000.00	Date: 8/12/2024
Amendment 1- Increase:	\$50,000.00	Date: 3/10/2025
Amendment 2- Increase:	\$100,000.00	Date: 5/7/2025
Amendment 3- Increase:	<u>\$60,000.00</u>	Date: TBD
<b>Grand Total</b>	<b>\$300,000.00</b>	

**INFORMATION ITEM II. A. FY2025 3<sup>RD</sup> QUARTER BUDGET TO ACTUAL REPORT**

**Table 1**  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 FISCAL YEAR 2025 BUDGET TO ACTUAL COMPARISONS  
 FOR THE PERIOD ENDED MARCH 31, 2025  
 UNAUDITED FIGURES

	FY2023 Q3			FY2024 Q3			FY2025 Q3				FY25 vs FY24 ACTUALS	
	Adopted Budget	FY23 Actual YTD	% of Budget	Adopted Budget	FY24 Actual YTD	% of Budget	Adopted Budget	Current Budget	FY25 Actual YTD	% of Current Budget		
<b>Revenue</b>												
State Appropriations	\$ 37,345,300	\$ 37,036,488	99.2%	\$ 39,960,000	\$ 39,923,855	99.9%	\$ 40,758,700	\$ 40,758,700	\$ 40,758,700	100.0%	\$ 834,845	(A)
Net Tuition Revenue	42,172,200	40,673,732	96.4%	41,874,400	40,556,968	96.9%	45,134,178	45,134,178	42,414,271	94.0%	1,857,303	(B)
Net Differential Tuition Revenue	972,400	721,802	74.2%	689,000	760,465	110.4%	820,122	820,122	876,342	106.9%	115,877	(B)
Investment Income	1,000,000	2,094,435	209.4%	2,276,600	3,417,100	150.1%	3,700,000	3,700,000	3,048,644	82.4%	(368,456)	(C)
All Other Sources	2,450,100	417,969	17.1%	500,000	672,611	134.5%	500,000	500,000	475,479	95.1%	(197,132)	(D)
<b>Total Revenue</b>	<b>\$ 83,940,000</b>	<b>\$ 80,944,426</b>	<b>96.4%</b>	<b>\$ 85,300,000</b>	<b>\$ 85,330,999</b>	<b>100.0%</b>	<b>\$ 90,913,000</b>	<b>\$ 90,913,000</b>	<b>\$ 87,573,436</b>	<b>96.3%</b>	<b>\$ 2,242,437</b>	
<b>Expenditures</b>												
Personnel Services	\$ 67,142,441	\$ 48,705,618	72.5%	\$ 67,901,380	\$ 50,412,341	74.2%	\$ 70,829,802	\$ 70,744,123	\$ 50,772,302	71.8%	\$ 359,961	(E)
Contractual Services	11,208,876	8,070,312	72.0	14,631,783	8,696,126	59.4	14,821,712	15,127,301	8,387,817	55.4	(308,309)	(F)
Equipment	846,410	362,463	42.8	431,986	355,565	82.3	383,986	437,084	242,609	55.5	(112,956)	(G)
Commodities	775,075	339,923	43.9	807,401	374,463	46.4	818,150	918,243	420,832	45.8	46,369	
Telecommunications	176,422	87,630	49.7	176,700	59,815	33.9	176,700	312,451	207,236	66.3	147,421	(H)
Travel	168,841	134,939	79.9	197,750	144,690	73.2	193,650	291,617	132,885	45.6	(11,805)	
Permanent Improvements	25,000	-	-	25,000	-	-	25,000	9,034	-	-	-	
Operation of Auto Equip	20,935	15,819	75.6	21,000	20,661	98.4	24,000	45,000	25,746	57.2	5,085	
Tuition Scholarships	1,299,000	1,140,031	87.8	1,299,000	107,467	8.3	1,299,000	687,147	502,964	73.2	395,497	(J)
Debt Service	2,277,000	1,703,703	74.8	2,308,000	1,705,586	73.9	2,341,000	2,341,000	1,749,806	74.7	44,220	
<b>Total Expenditures</b>	<b>83,940,000</b>	<b>60,560,438</b>	<b>72.1%</b>	<b>87,800,000</b>	<b>61,876,714</b>	<b>70.5%</b>	<b>90,913,000</b>	<b>90,913,000</b>	<b>62,442,197</b>	<b>68.7%</b>	<b>\$ 565,483</b>	
<i>BOT Reserve Allocation</i>	-	-	-	(2,500,000)	-	-	-	-	-	-	-	
<b>Net Expenditures</b>	<b>\$ 83,940,000</b>	<b>\$ 60,560,438</b>	<b>72.1%</b>	<b>\$ 85,300,000</b>	<b>\$ 61,876,714</b>	<b>72.5%</b>	<b>\$ 90,913,000</b>	<b>\$ 90,913,000</b>	<b>\$ 62,442,197</b>	<b>68.7%</b>	<b>\$ 565,483</b>	
<b>Excess Revenue Over Expenditures</b>	<b>\$ -</b>	<b>\$ 20,383,988</b>		<b>\$ -</b>	<b>\$ 23,454,285</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,131,239</b>			

**Notes:**

1. Adopted Budget column reflects the FY2025 budget approved by the Board of Trustees on September 19, 2024.
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. "Actual Year to Date" or "Actual YTD" is current year expenses recorded or booked through April 23, 2025 and does not include encumbrances.
4. All Other Sources includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.)

**Table 2**  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 FISCAL YEAR 2025 BUDGET TO FORECAST COMPARISONS  
 FOR THE PERIOD ENDED MARCH 31, 2025  
 UNAUDITED FIGURES

	Adopted Budget	Budget Adjustment	Adjusted Budget	Actual Year to Date as of 03/31/2025	Forecasted Revenue/Expenses Thru 06/30/25	Annual Forecast	Adjusted Budget Vs Annual Forecast
<b>Revenue</b>							
State Appropriations	\$ 40,758,700	\$ -	\$ 40,758,700	\$ 40,758,700	\$ -	\$ 40,758,700	\$ -
Net Tuition Revenue	45,134,178	-	45,134,178	42,414,271	2,977,825	45,392,096	257,918 (AA)
Net Differential Tuition Revenue	820,122	-	820,122	876,342	41,536	917,878	97,756 (AA)
Investment Income	3,700,000	-	3,700,000	3,048,644	829,310	3,877,954	177,954 (BB)
All Other Sources	500,000	-	500,000	475,479	144,521	620,000	120,000 (CC)
<b>Total Revenue</b>	<b>90,913,000</b>	<b>-</b>	<b>90,913,000</b>	<b>87,573,436</b>	<b>3,993,192</b>	<b>91,566,628</b>	<b>653,628</b>
<b>Expenditures</b>							
Personnel Services	70,829,802	(85,679)	70,744,123	50,772,302	20,715,090	71,487,392	(743,269) (DD)
Contractual Services	14,821,712	503,092	15,324,804	8,387,817	6,867,617	15,255,434	69,370
Equipment	383,986	53,098	437,084	242,609	135,313	377,922	59,162
Commodities	818,150	100,093	918,243	420,832	391,798	812,630	105,613
Telecommunications	176,700	135,751	312,451	207,236	86,736	293,972	18,479
Travel	193,650	97,967	291,617	132,885	112,105	244,990	46,627
Permanent Improvements	25,000	(25,000)	-	-	-	-	-
Operation of Auto Equip	24,000	21,000	45,000	25,746	13,882	39,628	5,372
Scholarships, Awards and Grants	1,299,000	(800,322)	498,678	502,964	(4,286)	498,678	-
Debt Service	2,341,000	-	2,341,000	1,749,806	591,461	2,341,267	(267)
<b>Total Expenditures</b>	<b>90,913,000</b>	<b>-</b>	<b>90,913,000</b>	<b>62,442,197</b>	<b>28,909,717</b>	<b>91,351,914</b>	<b>(438,914)</b>
<b>Excess Revenue Over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,131,239</b>	<b>\$ (24,916,525)</b>	<b>\$ 214,714</b>	<b>\$ 214,714</b>

**Notes:**

1. Adopted Budget column reflects the FY2025 budget approved by the Board of Trustees on September 19, 2024.
2. The Current Budget reflects budget transfers processed between organizations and accounts.
3. "Actual Year to Date" or "Actual YTD" is current year expenses recorded or booked through April 23, 2025 and does not include encumbrances.
4. All Other Sources includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.)
5. "Forecasted Revenue/Expenses Thru 06/30/25" is based on historical trends, adjusted for knowledge of new initiatives/projects or spendings.
6. "Budget Adjustment" reflects net budget transfers processed between organizations and accounts.

**INFORMATION ITEM II. B. PURCHASES OF AT LEAST \$100,000 BUT LESS THAN \$250,000**

Board of Trustees' Regulations require that the President report to the Board purchases of at least \$100,000 but less than \$250,000 other than those exempt from Board approval (e.g. utilities). The following lists those purchases since the last Board meeting.

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>CONTRACT AMOUNT</b>
Davis & Campbell, LLC Non-BEP, Non-IPHEC	Legal services and litigation support for collective bargaining matters	\$90,000.00 (Original contract amount)  (First Amended amount \$140,000.00, March, 2025)  (Second Amended amount \$240,000.00, May, 2025)

Contract # 4126744  
PO# 0066220