



\$28,500,000
Certificates of Participation
Series 2012

Final Report



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December 1, 2012



\$28,500,000
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Final Report

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**Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Final Sources and Uses of Funds**

Sources:

	<u>Series 2012</u>
Bond Principal	\$28,500,000.00
Certificate Premium	170,893.45
Total Sources	<u>\$28,670,893.45</u>

Uses:

Series 2012 Project	\$27,915,000.00
Underwriter's Discount	568,288.15
Costs of Issuance	185,000.00
Balance/Contingency	2,605.30
Total Uses	<u>\$28,670,893.45</u>

Assumptions:

Type of Issue	COPs
Pricing Date	11/1/2012
Dated & Delivery Date	11/14/2012
Maturity Range	10/1/2014 - 2041
First Interest Payment	4/1/2013
First Optional Call Date (at 100%)	10/1/2022
Underwriters Discount (\$ per \$1000)	\$19.94
Non-Arbitrage Certificate Yield	3.7715%
True Interest Cost (TIC)	3.9297%
All-Inclusive Interest Cost (AIC)	3.9823%
Weighted Average Maturity (WAM)	18.361 years
Estimated Project Fund Return	0.150%
Estimated Interest Earnings	\$15,668
Estimated Negative Arbitrage	(\$378,269)
Total Debt Service	\$48,737,231
Avg. Annual D/S (FY2015-2042)	\$1,666,790
Average D/S Ramp per Year (FY2015-2042)	0.74%

**Northeastern Illinois University
Certificates of Participation, Series 2012
EI Centro Campus Project
Final Interest Rates**

Maturity Date	11/1/2012 "AAA" MMD Index ¹	Coupons	Yields	Spread to "AAA" MMD Index
10/1/2013	0.20%			
10/1/2014	0.30%	3.00%	1.00%	0.70%
10/1/2015	0.42%	3.00%	1.25%	0.83%
10/1/2016	0.52%	3.00%	1.50%	0.98%
10/1/2017	0.67%	3.00%	1.75%	1.08%
10/1/2018	0.83%	3.00%	2.00%	1.17%
10/1/2019	1.06%	3.00%	2.30%	1.24%
10/1/2020	1.30%	3.00%	2.65%	1.35%
10/1/2021	1.54%	3.00%	3.00%	1.46%
10/1/2022	1.72%	3.10%	3.10%	1.38%
10/1/2023	1.86%	3.25%	3.25%	1.39%
10/1/2024	1.94%	3.35%	3.35%	1.41%
10/1/2025	2.01%	3.40%	3.40%	1.39%
10/1/2026	2.08%	3.50%	3.50%	1.42%
10/1/2027	2.14%	3.50%	3.55%	1.41%
10/1/2028	2.20%	3.60%	3.60%	1.40%
10/1/2029	2.26%	3.65%	3.65%	1.39%
10/1/2030	2.32%	3.75%	3.75%	1.43%
10/1/2031	2.38%	3.80%	3.80%	1.42%
10/1/2032	2.44%	3.85%	3.85%	1.41%
10/1/2033	2.51%	3.90%	3.90%	1.39%
10/1/2034	2.58%			
10/1/2035	2.65%			
10/1/2036	2.72%			
10/1/2037	2.77%			
10/1/2038	2.78%	4.00%	4.00%	1.22%
10/1/2039	2.79%			
10/1/2040	2.80%			
10/1/2041	2.81%	4.10%	4.10%	1.29%

¹ MMD High Grade Index for natural AAA Bonds as of the morning of 11/1/2012.

Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Final Pricing Summary of the November 1, 2012 Competitive Sale

Maturity	Certificate Type	Coupon	Yield	Principal Amount	Price	Production	CUSIP
10/1/2014	Serial	3.00%	1.00%	\$460,000	103.716%	477,093.60	66442RBN6
10/1/2015	Serial	3.00%	1.25%	485,000	104.935%	508,934.75	66442RBP1
10/1/2016	Serial	3.00%	1.50%	515,000	105.633%	544,009.95	66442RBQ9
10/1/2017	Serial	3.00%	1.75%	540,000	105.821%	571,433.40	66442RBR7
10/1/2018	Serial	3.00%	2.00%	575,000	105.520%	606,740.00	66442RBS5
10/1/2019	Serial	3.00%	2.30%	610,000	104.429%	637,016.90	66442RBT3
10/1/2020	Serial	3.00%	2.65%	645,000	102.472%	660,944.40	66442RBU0
10/1/2021	Serial	3.00%	3.00%	685,000	100.000%	685,000.00	66442RBV8
10/1/2022	Serial	3.10%	3.10%	725,000	100.000%	725,000.00	66442RBW6
10/1/2023	Serial	3.25%	3.25%	775,000	100.000%	775,000.00	66442RBX4
10/1/2024	Serial	3.35%	3.35%	815,000	100.000%	815,000.00	66442RBY2
10/1/2025	Serial	3.40%	3.40%	865,000	100.000%	865,000.00	66442RBZ9
10/1/2026	Serial	3.50%	3.50%	875,000	100.000%	875,000.00	66442RCA3
10/1/2027	Serial	3.50%	3.55%	915,000	99.423%	909,720.45	66442RCB1
10/1/2028	Serial	3.60%	3.60%	1,035,000	100.000%	1,035,000.00	66442RCC9
10/1/2029	Serial	3.65%	3.65%	1,090,000	100.000%	1,090,000.00	66442RCD7
10/1/2030	Serial	3.75%	3.75%	1,135,000	100.000%	1,135,000.00	66442RCE5
10/1/2031	Serial	3.80%	3.80%	1,175,000	100.000%	1,175,000.00	66442RCF2
10/1/2032	Serial	3.85%	3.85%	1,225,000	100.000%	1,225,000.00	66442RCG0
10/1/2033	Serial	3.90%	3.90%	1,270,000	100.000%	1,270,000.00	66442RCK1
10/1/2038	Term 1	4.00%	4.00%	6,985,000	100.000%	6,985,000.00	66442RCJ4
10/1/2041	Term 2	4.10%	4.10%	5,100,000	100.000%	5,100,000.00	66442RCH8
Total:				\$28,500,000		\$28,670,893.45	

Bid Information

Par Amount of Certificates	\$28,500,000.00
Certificate Premium	170,893.45
Gross Production	<u>\$28,670,893.45</u>
Total Underwriter's Discount (\$19.940/\$1,000)	(\$568,288.15)
Total Purchase Price (98.606%)	\$28,102,605.30

**Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Annual Debt Service**

Fiscal Year Ending	Series 2012 Debt Service			
	Principal ¹	Coupon	Interest	Total
2012				
2013			400,315.90	400,315.90
2014			1,051,925.00	1,051,925.00
2015	460,000	3.00%	1,045,025.00	1,505,025.00
2016	485,000	3.00%	1,030,850.00	1,515,850.00
2017	515,000	3.00%	1,015,850.00	1,530,850.00
2018	540,000	3.00%	1,000,025.00	1,540,025.00
2019	575,000	3.00%	983,300.00	1,558,300.00
2020	610,000	3.00%	965,525.00	1,575,525.00
2021	645,000	3.00%	946,700.00	1,591,700.00
2022	685,000	3.00%	926,750.00	1,611,750.00
2023	725,000	3.10%	905,237.50	1,630,237.50
2024	775,000	3.25%	881,406.25	1,656,406.25
2025	815,000	3.35%	855,161.25	1,670,161.25
2026	865,000	3.40%	826,805.00	1,691,805.00
2027	875,000	3.50%	796,787.50	1,671,787.50
2028	915,000	3.50%	765,462.50	1,680,462.50
2029	1,035,000	3.60%	730,820.00	1,765,820.00
2030	1,090,000	3.65%	692,297.50	1,782,297.50
2031	1,135,000	3.75%	651,123.75	1,786,123.75
2032	1,175,000	3.80%	607,517.50	1,782,517.50
2033	1,225,000	3.85%	561,611.25	1,786,611.25
2034	1,270,000	3.90%	513,265.00	1,783,265.00
2035	1,325,000	4.00%	462,000.00	1,787,000.00
2036	1,375,000	4.00%	408,000.00	1,783,000.00
2037	1,350,000	4.00%	353,500.00	1,703,500.00
2038	1,425,000	4.00%	298,000.00	1,723,000.00
2039	1,510,000	4.00%	239,300.00	1,749,300.00
2040	1,595,000	4.10%	176,402.50	1,771,402.50
2041	1,690,000	4.10%	109,060.00	1,799,060.00
2042	1,815,000	4.10%	37,207.50	1,852,207.50
	28,500,000		20,237,230.90	48,737,230.90

¹ Principal comes due the preceding October 1.

Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Semiannual Debt Service

Date	Series 2012 Debt Service				Fiscal Year
	Principal	Coupon	Interest	Total	
11/14/2012					
4/1/2013			400,315.90	400,315.90	400,315.90
10/1/2013			525,962.50	525,962.50	
4/1/2014			525,962.50	525,962.50	1,051,925.00
10/1/2014	460,000	3.00%	525,962.50	985,962.50	
4/1/2015			519,062.50	519,062.50	1,505,025.00
10/1/2015	485,000	3.00%	519,062.50	1,004,062.50	
4/1/2016			511,787.50	511,787.50	1,515,850.00
10/1/2016	515,000	3.00%	511,787.50	1,026,787.50	
4/1/2017			504,062.50	504,062.50	1,530,850.00
10/1/2017	540,000	3.00%	504,062.50	1,044,062.50	
4/1/2018			495,962.50	495,962.50	1,540,025.00
10/1/2018	575,000	3.00%	495,962.50	1,070,962.50	
4/1/2019			487,337.50	487,337.50	1,558,300.00
10/1/2019	610,000	3.00%	487,337.50	1,097,337.50	
4/1/2020			478,187.50	478,187.50	1,575,525.00
10/1/2020	645,000	3.00%	478,187.50	1,123,187.50	
4/1/2021			468,512.50	468,512.50	1,591,700.00
10/1/2021	685,000	3.00%	468,512.50	1,153,512.50	
4/1/2022			458,237.50	458,237.50	1,611,750.00
10/1/2022	725,000	3.10%	458,237.50	1,183,237.50	
4/1/2023			447,000.00	447,000.00	1,630,237.50
10/1/2023	775,000	3.25%	447,000.00	1,222,000.00	
4/1/2024			434,406.25	434,406.25	1,656,406.25
10/1/2024	815,000	3.35%	434,406.25	1,249,406.25	
4/1/2025			420,755.00	420,755.00	1,670,161.25
10/1/2025	865,000	3.40%	420,755.00	1,285,755.00	
4/1/2026			406,050.00	406,050.00	1,691,805.00
10/1/2026	875,000	3.50%	406,050.00	1,281,050.00	
4/1/2027			390,737.50	390,737.50	1,671,787.50
10/1/2027	915,000	3.50%	390,737.50	1,305,737.50	
4/1/2028			374,725.00	374,725.00	1,680,462.50
10/1/2028	1,035,000	3.60%	374,725.00	1,409,725.00	
4/1/2029			356,095.00	356,095.00	1,765,820.00
10/1/2029	1,090,000	3.65%	356,095.00	1,446,095.00	
4/1/2030			336,202.50	336,202.50	1,782,297.50
10/1/2030	1,135,000	3.75%	336,202.50	1,471,202.50	
4/1/2031			314,921.25	314,921.25	1,786,123.75
10/1/2031	1,175,000	3.80%	314,921.25	1,489,921.25	
4/1/2032			292,596.25	292,596.25	1,782,517.50
10/1/2032	1,225,000	3.85%	292,596.25	1,517,596.25	
4/1/2033			269,015.00	269,015.00	1,786,611.25
10/1/2033	1,270,000	3.90%	269,015.00	1,539,015.00	
4/1/2034			244,250.00	244,250.00	1,783,265.00
10/1/2034	1,325,000	4.00%	244,250.00	1,569,250.00	
4/1/2035			217,750.00	217,750.00	1,787,000.00
10/1/2035	1,375,000	4.00%	217,750.00	1,592,750.00	
4/1/2036			190,250.00	190,250.00	1,783,000.00
10/1/2036	1,350,000	4.00%	190,250.00	1,540,250.00	
4/1/2037			163,250.00	163,250.00	1,703,500.00
10/1/2037	1,425,000	4.00%	163,250.00	1,588,250.00	
4/1/2038			134,750.00	134,750.00	1,723,000.00
10/1/2038	1,510,000	4.00%	134,750.00	1,644,750.00	
4/1/2039			104,550.00	104,550.00	1,749,300.00
10/1/2039	1,595,000	4.10%	104,550.00	1,699,550.00	
4/1/2040			71,852.50	71,852.50	1,771,402.50
10/1/2040	1,690,000	4.10%	71,852.50	1,761,852.50	
4/1/2041			37,207.50	37,207.50	1,799,060.00
10/1/2041	1,815,000	4.10%	37,207.50	1,852,207.50	
4/1/2042			-	-	1,852,207.50
	28,500,000		20,237,230.90	48,737,230.90	

Northeastern Illinois University
Certificates of Participation, Series 2012
EI Centro Campus Project
Pro Forma Combined Annual University Debt Service & Outstanding Principal Amounts

Fiscal Year Ending	Certificates of Participation							UFS Revenue Bonds ¹			Combined University
	Series 2012		Series 2010		Series 2006		Combined	Principal ³	Interest ⁴	Total	
	Principal ²	Interest	Principal ²	Interest ⁴	Principal ²	Interest					
6/30/2013		400,316	155,000	301,856	660,000	525,594	2,042,766	185,000	744,615	929,615	2,972,381
6/30/2014								195,000	732,835	927,835	3,632,154
6/30/2015	460,000	1,045,025	185,000	293,725	715,000	471,106	3,169,856	215,000	723,081	938,081	4,107,938
6/30/2016	485,000	1,030,850	205,000	287,850	740,000	442,006	3,190,706	220,000	715,413	935,413	4,126,119
6/30/2017	515,000	1,015,850	225,000	280,300	775,000	411,222	3,222,372	230,000	707,198	937,198	4,159,569
6/30/2018	540,000	1,000,025	250,000	270,925	805,000	378,131	3,244,081	235,000	698,478	933,478	4,177,559
6/30/2019	575,000	983,300	275,000	259,581	840,000	343,175	3,276,056	615,000	682,020	1,297,020	4,573,076
6/30/2020	610,000	965,525	300,000	246,269	880,000	306,075	3,307,869	640,000	657,228	1,297,228	4,605,096
6/30/2021	645,000	946,700	330,000	230,894	915,000	266,238	3,333,831	665,000	630,961	1,295,961	4,629,793
6/30/2022	685,000	926,750	365,000	213,291	960,000	224,050	3,374,091	690,000	603,350	1,293,350	4,667,441
6/30/2023	725,000	905,238	395,000	193,569	1,005,000	179,838	3,403,644	720,000	574,265	1,294,265	4,697,909
6/30/2024	775,000	881,406	435,000	171,509	1,050,000	132,288	3,445,203	750,000	543,575	1,293,575	4,738,778
6/30/2025	815,000	855,161	470,000	146,894	1,105,000	81,106	3,473,161	780,000	511,250	1,291,250	4,764,411
6/30/2026	865,000	826,805	510,000	119,625	1,155,000	27,431	3,503,861	815,000	477,153	1,292,153	4,796,014
6/30/2027	875,000	796,788	550,000	89,469			2,311,256	850,000	441,143	1,291,143	3,602,399
6/30/2028	915,000	765,463	595,000	56,178			2,331,641	885,000	403,406	1,288,406	3,620,047
6/30/2029	1,035,000	730,820	645,000	19,350			2,430,170	925,000	364,039	1,289,039	3,719,209
6/30/2030	1,090,000	692,298					1,782,298	965,000	322,690	1,287,690	3,069,988
6/30/2031	1,135,000	651,124					1,786,124	1,010,000	279,240	1,289,240	3,075,364
6/30/2032	1,175,000	607,518					1,782,518	1,055,000	233,810	1,288,810	3,071,328
6/30/2033	1,225,000	561,611					1,786,611	1,100,000	186,125	1,286,125	3,072,736
6/30/2034	1,270,000	513,265					1,783,265	1,150,000	136,063	1,286,063	3,069,328
6/30/2035	1,325,000	462,000					1,787,000	1,200,000	83,475	1,283,475	3,070,475
6/30/2036	1,375,000	408,000					1,783,000	1,255,000	28,238	1,283,238	3,066,238
6/30/2037	1,350,000	353,500					1,703,500				1,703,500
6/30/2038	1,425,000	298,000					1,723,000				1,723,000
6/30/2039	1,510,000	239,300					1,749,300				1,749,300
6/30/2040	1,595,000	176,403					1,771,403				1,771,403
6/30/2041	1,690,000	109,060					1,799,060				1,799,060
6/30/2042	1,815,000	37,208					1,852,208				1,852,208
	28,500,000	20,237,231	6,060,000	3,479,572	12,290,000	4,287,366	74,854,169	17,350,000	11,479,648	28,829,648	103,683,816

Pro Forma Outstanding Principal:

\$28,500,000	5,905,000	11,630,000	\$46,035,000	17,165,000	\$63,200,000
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¹ Outstanding University Facilities System Revenue Bonds include the Series 2004 Bonds and the Series 1973 Bonds.

² Principal comes due on the preceding October 1.

³ Principal comes due on the preceding July 1.

⁴ Gross of interest subsidies.

**Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Estimated Costs of Issuance at Closing**

Estimated Issuance Costs:

<u>Item</u>	<u>Series 2012</u>
Bond Counsel	\$39,000.00
Financial Advisor	57,000.00
University Counsel	10,000.00
S&P Rating Fee	26,250.00
Moody's Rating Fee	27,500.00
Auditor's Consent	1,000.00
Competitive Sale, Posting, & Printing	6,000.00
Trustee	3,600.00
Trustee Counsel	3,000.00
Out-of-Pocket Expenses & Contingency	11,650.00
Total:	<u>\$185,000.00</u>

Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Estimated Project Draw Schedule & Interest Earnings

Maturity	Series 2012		Project Fund Balance	Interest Earnings ¹	Estimated Negative Arbitrage	PV of Negative Arbitrage at 3.771%
	Deposit at Closing	Disbursements				
11/14/2012	27,915,000	11,115,000	16,800,000			
12/1/2012			16,800,000			
1/1/2013		1,165,000	15,637,100	2,100.00	50,700.87	50,454.16
2/1/2013		1,200,000	14,439,055	1,954.64	47,191.35	46,815.71
3/1/2013		1,200,000	13,240,860	1,804.88	43,575.76	43,094.51
4/1/2013		1,200,000	12,042,515	1,655.11	39,959.71	39,395.55
5/1/2013		1,200,000	10,844,020	1,505.31	36,343.22	35,718.72
6/1/2013		1,200,000	9,645,375	1,355.50	32,726.27	32,063.93
7/1/2013		1,200,000	8,446,581	1,205.67	29,108.87	28,431.08
8/1/2013		1,200,000	7,247,637	1,055.82	25,491.01	24,820.07
9/1/2013		1,200,000	6,048,543	905.95	21,872.71	21,230.79
10/1/2013		1,200,000	4,849,299	756.07	18,253.95	17,663.16
11/1/2013		1,200,000	3,649,905	606.16	14,634.74	14,117.06
12/1/2013		1,200,000	2,450,361	456.24	11,015.08	10,592.41
1/1/2014		2,450,668	0	306.30	7,394.97	7,089.10
	27,915,000	27,930,667.66		15,667.66	378,268.51	371,486.24

¹ Interest earnings estimated at 0.15%.

Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Calculation of Certificate Yield

Certificate Yield: 3.771491%

Date	Net Proceeds Received	Principal	Interest	Combined Cash Flow	PV		NPV of Total Debt Service
					Days (30/360)	Factor at 3.771491%	
11/14/2012	(28,670,893)			(28,670,893)		1.000000	(28,670,893)
4/1/2013			400,316	400,316	137	0.985882	394,664
10/1/2013			525,963	525,963	317	0.967635	508,939
4/1/2014			525,963	525,963	497	0.949725	499,520
10/1/2014		460,000	525,963	985,963	677	0.932147	919,062
4/1/2015			519,063	519,063	857	0.914895	474,887
10/1/2015		485,000	519,063	1,004,063	1,037	0.897961	901,609
4/1/2016			511,788	511,788	1,217	0.881341	451,060
10/1/2016		515,000	511,788	1,026,788	1,397	0.865029	888,201
4/1/2017			504,063	504,063	1,577	0.849019	427,959
10/1/2017		540,000	504,063	1,044,063	1,757	0.833305	870,022
4/1/2018			495,963	495,963	1,937	0.817882	405,639
10/1/2018		575,000	495,963	1,070,963	2,117	0.802744	859,709
4/1/2019			487,338	487,338	2,297	0.787886	383,967
10/1/2019		610,000	487,338	1,097,338	2,477	0.773304	848,575
4/1/2020			478,188	478,188	2,657	0.758991	362,940
10/1/2020		645,000	478,188	1,123,188	2,837	0.744944	836,711
4/1/2021			468,513	468,513	3,017	0.731156	342,556
10/1/2021		685,000	468,513	1,153,513	3,197	0.717623	827,787
4/1/2022			458,238	458,238	3,377	0.704341	322,756
10/1/2022		725,000	458,238	1,183,238	3,557	0.691305	817,978
4/1/2023			447,000	447,000	3,737	0.678510	303,294
10/1/2023		775,000	447,000	1,222,000	3,917	0.665952	813,793
4/1/2024			434,406	434,406	4,097	0.653626	283,939
10/1/2024		815,000	434,406	1,249,406	4,277	0.641528	801,530
4/1/2025			420,755	420,755	4,457	0.629655	264,930
10/1/2025		865,000	420,755	1,285,755	4,637	0.618001	794,598
4/1/2026			406,050	406,050	4,817	0.606563	246,295
10/1/2026		875,000	406,050	1,281,050	4,997	0.595336	762,655
4/1/2027			390,738	390,738	5,177	0.584317	228,315
10/1/2027		915,000	390,738	1,305,738	5,357	0.573503	748,844
4/1/2028			374,725	374,725	5,537	0.562888	210,928
10/1/2028		1,035,000	374,725	1,409,725	5,717	0.552470	778,830
4/1/2029			356,095	356,095	5,897	0.542244	193,091
10/1/2029		1,090,000	356,095	1,446,095	6,077	0.532208	769,624
4/1/2030			336,203	336,203	6,257	0.522358	175,618
10/1/2030		1,135,000	336,203	1,471,203	6,437	0.512690	754,271
4/1/2031			314,921	314,921	6,617	0.503201	158,469
10/1/2031		1,175,000	314,921	1,489,921	6,797	0.493887	735,853
4/1/2032			292,596	292,596	6,977	0.484746	141,835
10/1/2032		1,225,000	292,596	1,517,596	7,157	0.475774	722,033
4/1/2033			269,015	269,015	7,337	0.466969	125,622
10/1/2033		1,270,000	269,015	1,539,015	7,517	0.458326	705,370
4/1/2034			244,250	244,250	7,697	0.449843	109,874
10/1/2034		1,325,000	244,250	1,569,250	7,877	0.441517	692,850
4/1/2035			217,750	217,750	8,057	0.433345	94,361
10/1/2035		1,375,000	217,750	1,592,750	8,237	0.425325	677,436
4/1/2036			190,250	190,250	8,417	0.417453	79,420
10/1/2036		1,350,000	190,250	1,540,250	8,597	0.409726	631,081
4/1/2037			163,250	163,250	8,777	0.402143	65,650
10/1/2037		1,425,000	163,250	1,588,250	8,957	0.394700	626,882
4/1/2038			134,750	134,750	9,137	0.387394	52,201
10/1/2038		1,510,000	134,750	1,644,750	9,317	0.380224	625,374
4/1/2039			104,550	104,550	9,497	0.373187	39,017
10/1/2039		1,595,000	104,550	1,699,550	9,677	0.366280	622,511
4/1/2040			71,853	71,853	9,857	0.359501	25,831
10/1/2040		1,690,000	71,853	1,761,853	10,037	0.352847	621,664
4/1/2041			37,208	37,208	10,217	0.346316	12,886
10/1/2041		1,815,000	37,208	1,852,208	10,397	0.339906	629,577
	(28,670,893)	28,500,000	20,237,231	20,066,337			-

Net Proceeds Received for Certificate Yield Calc:

Certificate Principal	\$28,500,000
Plus Net Certificate Premium	\$170,893
PV Target for Certificate Yield Calculation	\$28,670,893

Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Calculation of True Interest Cost (TIC)

True Interest Cost (TIC): 3.929742%

Date	Net Proceeds Received	Principal	Interest	Combined Cash Flow	Days (30/360)	PV	NPV of Total Debt Service
						Factor at 3.929742%	
11/14/2012	(28,102,605)			(28,102,605)		1.000000	(28,102,605)
4/1/2013			400,316	400,316	137	0.985299	394,431
10/1/2013			525,963	525,963	317	0.966313	508,244
4/1/2014			525,963	525,963	497	0.947692	498,450
10/1/2014		460,000	525,963	985,963	677	0.929429	916,383
4/1/2015			519,063	519,063	857	0.911519	473,135
10/1/2015		485,000	519,063	1,004,063	1,037	0.893954	897,586
4/1/2016			511,788	511,788	1,217	0.876728	448,698
10/1/2016		515,000	511,788	1,026,788	1,397	0.859833	882,866
4/1/2017			504,063	504,063	1,577	0.843264	425,058
10/1/2017		540,000	504,063	1,044,063	1,757	0.827014	863,455
4/1/2018			495,963	495,963	1,937	0.811078	402,264
10/1/2018		575,000	495,963	1,070,963	2,117	0.795448	851,895
4/1/2019			487,338	487,338	2,297	0.780120	380,182
10/1/2019		610,000	487,338	1,097,338	2,477	0.765087	839,558
4/1/2020			478,188	478,188	2,657	0.750344	358,805
10/1/2020		645,000	478,188	1,123,188	2,837	0.735884	826,536
4/1/2021			468,513	468,513	3,017	0.721704	338,127
10/1/2021		685,000	468,513	1,153,513	3,197	0.707796	816,452
4/1/2022			458,238	458,238	3,377	0.694157	318,089
10/1/2022		725,000	458,238	1,183,238	3,557	0.680781	805,525
4/1/2023			447,000	447,000	3,737	0.667662	298,445
10/1/2023		775,000	447,000	1,222,000	3,917	0.654796	800,161
4/1/2024			434,406	434,406	4,097	0.642178	278,966
10/1/2024		815,000	434,406	1,249,406	4,277	0.629803	786,880
4/1/2025			420,755	420,755	4,457	0.617667	259,886
10/1/2025		865,000	420,755	1,285,755	4,637	0.605764	778,865
4/1/2026			406,050	406,050	4,817	0.594091	241,231
10/1/2026		875,000	406,050	1,281,050	4,997	0.582643	746,395
4/1/2027			390,738	390,738	5,177	0.571416	223,273
10/1/2027		915,000	390,738	1,305,738	5,357	0.560404	731,741
4/1/2028			374,725	374,725	5,537	0.549605	205,951
10/1/2028		1,035,000	374,725	1,409,725	5,717	0.539014	759,862
4/1/2029			356,095	356,095	5,897	0.528628	188,242
10/1/2029		1,090,000	356,095	1,446,095	6,077	0.518441	749,715
4/1/2030			336,203	336,203	6,257	0.508450	170,942
10/1/2030		1,135,000	336,203	1,471,203	6,437	0.498653	733,619
4/1/2031			314,921	314,921	6,617	0.489043	154,010
10/1/2031		1,175,000	314,921	1,489,921	6,797	0.479620	714,595
4/1/2032			292,596	292,596	6,977	0.470377	137,631
10/1/2032		1,225,000	292,596	1,517,596	7,157	0.461313	700,087
4/1/2033			269,015	269,015	7,337	0.452424	121,709
10/1/2033		1,270,000	269,015	1,539,015	7,517	0.443705	682,869
4/1/2034			244,250	244,250	7,697	0.435155	106,287
10/1/2034		1,325,000	244,250	1,569,250	7,877	0.426770	669,708
4/1/2035			217,750	217,750	8,057	0.418546	91,138
10/1/2035		1,375,000	217,750	1,592,750	8,237	0.410480	653,792
4/1/2036			190,250	190,250	8,417	0.402570	76,589
10/1/2036		1,350,000	190,250	1,540,250	8,597	0.394813	608,110
4/1/2037			163,250	163,250	8,777	0.387205	63,211
10/1/2037		1,425,000	163,250	1,588,250	8,957	0.379743	603,127
4/1/2038			134,750	134,750	9,137	0.372426	50,184
10/1/2038		1,510,000	134,750	1,644,750	9,317	0.365249	600,743
4/1/2039			104,550	104,550	9,497	0.358210	37,451
10/1/2039		1,595,000	104,550	1,699,550	9,677	0.351308	597,065
4/1/2040			71,853	71,853	9,857	0.344538	24,756
10/1/2040		1,690,000	71,853	1,761,853	10,037	0.337899	595,328
4/1/2041			37,208	37,208	10,217	0.331387	12,330
10/1/2041		1,815,000	37,208	1,852,208	10,397	0.325002	601,970
	(28,102,605)	28,500,000	20,237,231	20,634,626			-

Net Proceeds Received for TIC Calc:

Certificate Principal	\$28,500,000
Plus Net Certificate Premium	170,893.45
Minus Underwriter's Discount	(568,288)
PV Target for TIC Calculation	<u>\$28,102,605</u>

Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Calculation of All-Inclusive Interest Cost (AIC)

All-Inclusive Interest Cost (AIC): 3.982254%

Date	Net Proceeds		Interest	Combined Cash Flow	Days (30/360)	PV	NPV of Total Debt Service
	Received	Principal				Factor at 3.982254%	
11/14/2012	(27,917,605)			(27,917,605)		1.000000	(27,917,605)
4/1/2013			400,316	400,316	137	0.985106	394,354
10/1/2013			525,963	525,963	317	0.965874	508,014
4/1/2014			525,963	525,963	497	0.947018	498,096
10/1/2014		460,000	525,963	985,963	677	0.928530	915,496
4/1/2015			519,063	519,063	857	0.910403	472,556
10/1/2015		485,000	519,063	1,004,063	1,037	0.892629	896,256
4/1/2016			511,788	511,788	1,217	0.875203	447,918
10/1/2016		515,000	511,788	1,026,788	1,397	0.858117	881,103
4/1/2017			504,063	504,063	1,577	0.841364	424,100
10/1/2017		540,000	504,063	1,044,063	1,757	0.824938	861,287
4/1/2018			495,963	495,963	1,937	0.808834	401,151
10/1/2018		575,000	495,963	1,070,963	2,117	0.793043	849,319
4/1/2019			487,338	487,338	2,297	0.777561	378,935
10/1/2019		610,000	487,338	1,097,338	2,477	0.762381	836,589
4/1/2020			478,188	478,188	2,657	0.747497	357,444
10/1/2020		645,000	478,188	1,123,188	2,837	0.732904	823,189
4/1/2021			468,513	468,513	3,017	0.718596	336,671
10/1/2021		685,000	468,513	1,153,513	3,197	0.704567	812,727
4/1/2022			458,238	458,238	3,377	0.690812	316,556
10/1/2022		725,000	458,238	1,183,238	3,557	0.677326	801,437
4/1/2023			447,000	447,000	3,737	0.664103	296,854
10/1/2023		775,000	447,000	1,222,000	3,917	0.651138	795,690
4/1/2024			434,406	434,406	4,097	0.638426	277,336
10/1/2024		815,000	434,406	1,249,406	4,277	0.625962	782,081
4/1/2025			420,755	420,755	4,457	0.613742	258,235
10/1/2025		865,000	420,755	1,285,755	4,637	0.601760	773,716
4/1/2026			406,050	406,050	4,817	0.590012	239,574
10/1/2026		875,000	406,050	1,281,050	4,997	0.578494	741,079
4/1/2027			390,738	390,738	5,177	0.567200	221,626
10/1/2027		915,000	390,738	1,305,738	5,357	0.556127	726,155
4/1/2028			374,725	374,725	5,537	0.545270	204,326
10/1/2028		1,035,000	374,725	1,409,725	5,717	0.534625	753,674
4/1/2029			356,095	356,095	5,897	0.524187	186,661
10/1/2029		1,090,000	356,095	1,446,095	6,077	0.513954	743,226
4/1/2030			336,203	336,203	6,257	0.503920	169,419
10/1/2030		1,135,000	336,203	1,471,203	6,437	0.494082	726,895
4/1/2031			314,921	314,921	6,617	0.484437	152,559
10/1/2031		1,175,000	314,921	1,489,921	6,797	0.474979	707,682
4/1/2032			292,596	292,596	6,977	0.465706	136,264
10/1/2032		1,225,000	292,596	1,517,596	7,157	0.456615	692,957
4/1/2033			269,015	269,015	7,337	0.447700	120,438
10/1/2033		1,270,000	269,015	1,539,015	7,517	0.438960	675,566
4/1/2034			244,250	244,250	7,697	0.430391	105,123
10/1/2034		1,325,000	244,250	1,569,250	7,877	0.421988	662,205
4/1/2035			217,750	217,750	8,057	0.413750	90,094
10/1/2035		1,375,000	217,750	1,592,750	8,237	0.405672	646,135
4/1/2036			190,250	190,250	8,417	0.397753	75,672
10/1/2036		1,350,000	190,250	1,540,250	8,597	0.389988	600,678
4/1/2037			163,250	163,250	8,777	0.382374	62,423
10/1/2037		1,425,000	163,250	1,588,250	8,957	0.374909	595,449
4/1/2038			134,750	134,750	9,137	0.367590	49,533
10/1/2038		1,510,000	134,750	1,644,750	9,317	0.360414	592,790
4/1/2039			104,550	104,550	9,497	0.353377	36,946
10/1/2039		1,595,000	104,550	1,699,550	9,677	0.346479	588,858
4/1/2040			71,853	71,853	9,857	0.339714	24,409
10/1/2040		1,690,000	71,853	1,761,853	10,037	0.333082	586,842
4/1/2041			37,208	37,208	10,217	0.326580	12,151
10/1/2041		1,815,000	37,208	1,852,208	10,397	0.320204	593,084
	(27,917,605)	28,500,000	20,237,231	20,819,626			-

Net Proceeds Received for AIC Calc:

Certificate Principal	\$28,500,000
Plus Net Certificate Premium	170,893.45
Minus Underwriter's Discount	(568,288)
Minus Costs of Issuance	(185,000)
PV Target for AIC Calculation	<u>\$27,917,605</u>

**Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Flow of Funds at Closing on November 14, 2012**

<u>Payment for the Certificates:</u>	<u>Series 2012</u>
Principal Amount of the Certificates	\$28,500,000.00
Plus: Original Issue Premium	170,893.45
Less: Underwriter's Discount	(568,288.15)
Less: Good Faith Deposit - Received on 11/1/2012	(350,000.00)
Net Purchase Price for the Certificates at Closing (Wire from Edward Jones to US Bank)	<u>\$27,752,605.30</u>
Issuer Internal Allocation of Good Faith Deposit to Acquisition Fund (NEIU Internal Transfer)	350,000.00
Total Funds Available at Closing	<u>\$28,102,605.30</u>
<u>Allocation of Certificate Proceeds:</u>	
Deposit to the Acquisition Fund	
El Centro Project	\$27,915,000.00
Costs of Issuance (Delivery Costs)	<u>187,605.30</u>
Total Allocation of Proceeds for the Certificates	\$28,102,605.30
<u>Transfer of Certificate Proceeds After Closing:</u>	
Total Proceeds for the Certificates	\$28,102,605.30
Issuer Internal Allocation of Good Faith Deposit (NEIU Internal Transfer)	<u>(350,000.00)</u>
Transfer of Proceeds to Issuer (Wire from US Bank to Northeastern Illinois University)	\$27,752,605.30

Wire Instructions:**Edward Jones to US Bank**

U.S. Bank NA

ABA: 091000022

Beneficiary Account No: 180121167365

Beneficiary Account Name: Corporate Trust Services

Address: 777 E. Wisconsin Avenue, Milwaukee, WI 53202-5300

For Further Credit to Account Number: 201116001

Account Name: Northeastern Illinois University Acquisition Fund

Attn: Vernita L. Anderson 312-332-6779

**Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Derivation of Weighted Average Maturity (WAM)**

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
11/14/2012					
10/1/2014	\$460,000	103.716%	\$477,093.60	1.8805556x	897,201.02
10/1/2015	485,000	104.935%	508,934.75	2.8805556x	1,466,014.82
10/1/2016	515,000	105.633%	544,009.95	3.8805556x	2,111,060.83
10/1/2017	540,000	105.821%	571,433.40	4.8805556x	2,788,912.46
10/1/2018	575,000	105.520%	606,740.00	5.8805556x	3,567,968.28
10/1/2019	610,000	104.429%	637,016.90	6.8805556x	4,383,030.17
10/1/2020	645,000	102.472%	660,944.40	7.8805556x	5,208,609.06
10/1/2021	685,000	100.000%	685,000.00	8.8805556x	6,083,180.56
10/1/2022	725,000	100.000%	725,000.00	9.8805556x	7,163,402.78
10/1/2023	775,000	100.000%	775,000.00	10.8805556x	8,432,430.56
10/1/2024	815,000	100.000%	815,000.00	11.8805556x	9,682,652.78
10/1/2025	865,000	100.000%	865,000.00	12.8805556x	11,141,680.56
10/1/2026	875,000	100.000%	875,000.00	13.8805556x	12,145,486.11
10/1/2027	915,000	99.423%	909,720.45	14.8805556x	13,537,145.70
10/1/2028	1,035,000	100.000%	1,035,000.00	15.8805556x	16,436,375.00
10/1/2029	1,090,000	100.000%	1,090,000.00	16.8805556x	18,399,805.56
10/1/2030	1,135,000	100.000%	1,135,000.00	17.8805556x	20,294,430.56
10/1/2031	1,175,000	100.000%	1,175,000.00	18.8805556x	22,184,652.78
10/1/2032	1,225,000	100.000%	1,225,000.00	19.8805556x	24,353,680.56
10/1/2033	1,270,000	100.000%	1,270,000.00	20.8805556x	26,518,305.56
10/1/2034	1,325,000	100.000%	1,325,000.00	21.8805556x	28,991,736.11
10/1/2035	1,375,000	100.000%	1,375,000.00	22.8805556x	31,460,763.89
10/1/2036	1,350,000	100.000%	1,350,000.00	23.8805556x	32,238,750.00
10/1/2037	1,425,000	100.000%	1,425,000.00	24.8805556x	35,454,791.67
10/1/2038	1,510,000	100.000%	1,510,000.00	25.8805556x	39,079,638.89
10/1/2039	1,595,000	100.000%	1,595,000.00	26.8805556x	42,874,486.11
10/1/2040	1,690,000	100.000%	1,690,000.00	27.8805556x	47,118,138.89
10/1/2041	1,815,000	100.000%	1,815,000.00	28.8805556x	52,418,208.33
	\$28,500,000		\$28,670,893.45		526,432,539.56

Weighted Average Maturity = Bond Years/Issue Price

18.361 years

Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Summary of Series 2012 vs. Estimated May 2012 Issuance

<u>Sources:</u>	Series 2012	Estimated Certificate Issue on May 24, 2012	
Bond Principal	\$28,500,000.00	\$28,520,000.00	
Certificate Premium	170,893.45	152,160.30	
Total Sources	<u>\$28,670,893.45</u>	<u>\$28,672,160.30</u>	
<u>Uses:</u>			
Series 2012 Project	\$27,915,000.00	\$27,915,000.00	
Underwriter's Discount	568,288.15	568,686.95	
Costs of Issuance	185,000.00	185,000.00	
Balance/Contingency	2,605.30	3,473.35	
Total Uses	<u>\$28,670,893.45</u>	<u>\$28,672,160.30</u>	
<u>Assumptions:</u>			
Type of Issue	COPs	COPs	
Pricing Date	11/1/2012	5/2/2012	
Dated & Delivery Date	11/14/2012	5/24/2012	
Maturity Range	10/1/2014 - 2041	10/1/2014 - 2041	
First Interest Payment	4/1/2013	10/1/2012	
First Optional Call Date (at 100%)	10/1/2022	10/1/2022	
Underwriters Discount (\$ per \$1000)	\$19.94	\$19.94	
<u>Results:</u>			Series 2012 Advantage
Non-Arbitrage Certificate Yield	3.7715%	4.1623%	0.391%
True Interest Cost (TIC)	3.9297%	4.3216%	0.392%
All-Inclusive Interest Cost (AIC)	3.9823%	4.3745%	0.392%
Total Debt Service	\$48,737,231	\$51,695,608	\$2,958,377
PV of Debt Service at 4.00%	\$27,339,355	\$29,268,650	\$1,929,295

**Northeastern Illinois University
Certificates of Participation, Series 2012
EI Centro Campus Project
Estimated Interest Rates of May 2012 Issuance**

Maturity Date	5/2/2012 "AAA" MMD Index ¹	Coupons	Yields	Spread to "AAA" MMD Index
10/1/2013	0.20%			
10/1/2014	0.31%	3.00%	1.01%	0.70%
10/1/2015	0.47%	3.00%	1.30%	0.83%
10/1/2016	0.65%	3.00%	1.63%	0.98%
10/1/2017	0.82%	3.00%	1.90%	1.08%
10/1/2018	1.03%	3.00%	2.20%	1.17%
10/1/2019	1.25%	3.00%	2.49%	1.24%
10/1/2020	1.48%	3.00%	2.83%	1.35%
10/1/2021	1.71%	3.15%	3.15%	1.44%
10/1/2022	1.87%	3.25%	3.25%	1.38%
10/1/2023	2.01%	3.40%	3.40%	1.39%
10/1/2024	2.15%	3.55%	3.55%	1.40%
10/1/2025	2.29%	3.70%	3.70%	1.41%
10/1/2026	2.42%	3.85%	3.85%	1.43%
10/1/2027	2.51%	3.85%	3.90%	1.39%
10/1/2028	2.59%	4.00%	4.00%	1.41%
10/1/2029	2.67%	4.05%	4.05%	1.38%
10/1/2030	2.73%	4.15%	4.15%	1.42%
10/1/2031	2.79%	4.20%	4.20%	1.41%
10/1/2032	2.85%	4.25%	4.25%	1.40%
10/1/2033	2.92%	4.30%	4.30%	1.38%
10/1/2034	3.00%			
10/1/2035	3.07%			
10/1/2036	3.13%			
10/1/2037	3.19%			
10/1/2038	3.21%	4.45%	4.45%	1.24%
10/1/2039	3.22%			
10/1/2040	3.23%			
10/1/2041	3.24%	4.55%	4.55%	1.31%

¹ MMD High Grade Index for natural AAA Bonds as of the morning of 5/2/2012.

**Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Estimated Annual Savings of Series 2012 vs. May 2012 Issuance**

Fiscal Year Ending 6/30	Series 2012 COPs Debt Service				PV of Debt Service at 4.00%	Estimated Debt Service				PV of Debt Service at 4.00%	Debt Service Savings	PV of Debt Service Savings
	Principal	Coupon	Interest	Total		Principal	Coupon	Interest	Total			
2012												
2013			400,316	400,316	387,021			982,933	982,933	958,152	582,617	571,130
2014			1,051,925	1,051,925	987,274			1,152,625	1,152,625	1,081,785	100,700	94,511
2015	460,000	3.00%	1,045,025	1,505,025	1,361,847	440,000	3.00%	1,146,025	1,586,025	1,434,735	81,000	72,888
2016	485,000	3.00%	1,030,850	1,515,850	1,318,568	465,000	3.00%	1,132,450	1,597,450	1,389,147	81,600	70,578
2017	515,000	3.00%	1,015,850	1,530,850	1,280,119	495,000	3.00%	1,118,050	1,613,050	1,348,457	82,200	68,338
2018	540,000	3.00%	1,000,025	1,540,025	1,237,961	520,000	3.00%	1,102,825	1,622,825	1,304,126	82,800	66,165
2019	575,000	3.00%	983,300	1,558,300	1,204,231	555,000	3.00%	1,086,700	1,641,700	1,268,288	83,400	64,057
2020	610,000	3.00%	965,525	1,575,525	1,170,477	585,000	3.00%	1,069,600	1,654,600	1,228,809	79,075	58,332
2021	645,000	3.00%	946,700	1,591,700	1,136,781	620,000	3.00%	1,051,525	1,671,525	1,193,381	79,825	56,601
2022	685,000	3.00%	926,750	1,611,750	1,106,621	660,000	3.15%	1,031,830	1,691,830	1,161,201	80,080	54,580
2023	725,000	3.10%	905,238	1,630,238	1,076,065	700,000	3.25%	1,010,060	1,710,060	1,128,356	79,823	52,292
2024	775,000	3.25%	881,406	1,656,406	1,051,129	750,000	3.40%	985,935	1,735,935	1,101,205	79,529	50,076
2025	815,000	3.35%	855,161	1,670,161	1,018,910	790,000	3.55%	959,163	1,749,163	1,066,722	79,001	47,812
2026	865,000	3.40%	826,805	1,691,805	992,269	845,000	3.70%	929,508	1,774,508	1,040,416	82,703	48,148
2027	875,000	3.50%	796,788	1,671,788	942,570	855,000	3.85%	897,416	1,752,416	987,686	80,629	45,116
2028	915,000	3.50%	765,463	1,680,463	910,862	900,000	3.85%	863,633	1,763,633	955,624	83,170	44,762
2029	1,035,000	3.60%	730,820	1,765,820	920,349	1,020,000	4.00%	825,908	1,845,908	961,777	80,088	41,429
2030	1,090,000	3.65%	692,298	1,782,298	893,094	1,080,000	4.05%	783,638	1,863,638	933,563	81,340	40,469
2031	1,135,000	3.75%	651,124	1,786,124	860,465	1,130,000	4.15%	738,320	1,868,320	899,798	82,196	39,332
2032	1,175,000	3.80%	607,518	1,782,518	825,580	1,175,000	4.20%	690,198	1,865,198	863,632	82,680	38,051
2033	1,225,000	3.85%	561,611	1,786,611	795,557	1,230,000	4.25%	639,385	1,869,385	832,195	82,774	36,638
2034	1,270,000	3.90%	513,265	1,783,265	763,436	1,280,000	4.30%	585,728	1,865,728	798,541	82,463	35,105
2035	1,325,000	4.00%	462,000	1,787,000	735,547	1,340,000	4.45%	528,393	1,868,393	768,874	81,393	33,327
2036	1,375,000	4.00%	408,000	1,783,000	705,612	1,395,000	4.45%	467,539	1,862,539	736,937	79,539	31,325
2037	1,350,000	4.00%	353,500	1,703,500	648,111	1,380,000	4.45%	405,795	1,785,795	679,298	82,295	31,187
2038	1,425,000	4.00%	298,000	1,723,000	630,293	1,460,000	4.45%	342,605	1,802,605	659,312	79,605	29,019
2039	1,510,000	4.00%	239,300	1,749,300	615,288	1,555,000	4.45%	275,521	1,830,521	643,780	81,221	28,492
2040	1,595,000	4.10%	176,403	1,771,403	599,093	1,650,000	4.55%	203,385	1,853,385	626,769	81,983	27,675
2041	1,690,000	4.10%	109,060	1,799,060	585,049	1,755,000	4.55%	125,921	1,880,921	611,644	81,861	26,595
2042	1,815,000	4.10%	37,208	1,852,208	579,178	1,890,000	4.55%	42,998	1,932,998	604,440	80,790	25,263
	28,500,000		20,237,231	48,737,231	27,339,355	28,520,000		23,175,608	51,695,608	29,268,650	2,958,377	1,929,295

The Trustees of Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Summary of November 1, 2012 Competitive Sale

	<u>Bid 1</u>	<u>Bid 2</u>	<u>Bid 3</u>	<u>Bid 4</u>	<u>Bid 5</u>
Name of Bidder:	Edward Jones	Robert Baird	BMO Capital	BofA ML	Hutchinson
Proposed Bid:	\$28,053,277.20	\$27,649,060.76	\$28,479,282.44	\$27,721,764.45	\$27,652,875.50

Rates

2014	3.000%	3.000%	3.000%	3.000%	3.000%
2015	3.000%	3.000%	3.000%	3.000%	3.000%
2016	3.000%	3.000%	3.000%	3.000%	3.000%
2017	3.000%	3.000%	3.000%	3.000%	3.000%
2018	3.000%	3.000%	3.000%	3.000%	3.000%
2019	3.000%	3.000%	3.000%	3.000%	3.000%
2020	3.000%	3.000%	3.000%	3.000%	3.000%
2021	3.000%	3.000%	3.500%	3.000%	3.000%
2022	3.100%	3.000%	3.500%	3.000%	3.000%
2023	3.250%	3.000%	4.000%	3.000%	3.000%
2024	3.350%	3.125%	4.000%	3.000%	3.000%
2025	3.400%	3.250%	4.000%	3.250%	3.250%
2026	3.500%	3.250%	4.000%	3.250%	3.250%
2027	3.500%	3.375%	4.000%	3.500%	3.500%
2028	3.600%	3.375%	4.000%	3.500%	3.500%
2029	3.650%	3.500%	4.000%	3.500%	3.750%
2030	3.750%	3.500%	4.000%	3.500%	3.750%
2031	3.800%	3.625%	4.000%	3.500%	3.750%
2032	3.850%	3.625%	4.000%	3.750%	4.000%
2033	3.900%	4.000%	4.000%	4.000%	4.000%
2034	4.000%	4.000%	4.000%	4.000%	4.000%
2035	4.000%	4.000%	4.125%	4.000%	4.000%
2036	4.000%	4.000%	4.125%	4.000%	4.000%
2037	4.000%	4.000%	4.250%	4.125%	4.250%
2038	4.000%	4.000%	4.250%	4.250%	4.250%
2039	4.100%	4.000%	4.250%	4.250%	4.250%
2040	4.100%	4.000%	4.250%	4.250%	4.250%
2041	4.100%	4.000%	4.250%	4.250%	4.250%

TIC:	3.9527365% Winning Bid	3.9819766% Cover Bid	4.0550416% TRUE	4.0608641% TRUE	4.1286814% TRUE
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The Trustees of Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Winning Bidder

Bidder: Edward Jones
 Bid: \$28,053,277

Date	Total Bid for TIC	Principal	Rate	Interest	Combined Debt Service	Number of Days from Delivery Date	Discount Factor at Yield of 3.9527365%	NPV of Cashflow
11/14/2012	(28,053,277.20)				(28,053,277.20)	0	1.00000000	(28,053,277.20)
4/1/2013				402,764.78	402,764.78	137	0.98521475	396,809.80
10/1/2013				529,180.00	529,180.00	317	0.96612065	511,251.72
4/1/2014				529,180.00	529,180.00	497	0.94739660	501,343.33
10/1/2014		420,000	3.00%	529,180.00	949,180.00	677	0.92903544	881,821.86
4/1/2015				522,880.00	522,880.00	857	0.91103013	476,359.43
10/1/2015		445,000	3.00%	522,880.00	967,880.00	1037	0.89337377	864,678.61
4/1/2016				516,205.00	516,205.00	1217	0.87605961	452,226.35
10/1/2016		470,000	3.00%	516,205.00	986,205.00	1397	0.85908100	847,229.98
4/1/2017				509,155.00	509,155.00	1577	0.84243146	428,928.19
10/1/2017		495,000	3.00%	509,155.00	1,004,155.00	1757	0.82610459	829,537.05
4/1/2018				501,730.00	501,730.00	1937	0.81009414	406,448.53
10/1/2018		525,000	3.00%	501,730.00	1,026,730.00	2117	0.79439399	815,628.14
4/1/2019				493,855.00	493,855.00	2297	0.77899812	384,712.12
10/1/2019		555,000	3.00%	493,855.00	1,048,855.00	2477	0.76390063	801,221.00
4/1/2020				485,530.00	485,530.00	2657	0.74909574	363,708.46
10/1/2020		590,000	3.00%	485,530.00	1,075,530.00	2837	0.73457778	790,060.44
4/1/2021				476,680.00	476,680.00	3017	0.72034118	343,372.24
10/1/2021		625,000	3.00%	476,680.00	1,101,680.00	3197	0.70638050	778,205.27
4/1/2022				467,305.00	467,305.00	3377	0.69269039	323,697.68
10/1/2022		660,000	3.10%	467,305.00	1,127,305.00	3557	0.67926560	765,739.51
4/1/2023				457,075.00	457,075.00	3737	0.66610099	304,458.11
10/1/2023		705,000	3.25%	457,075.00	1,162,075.00	3917	0.65319152	759,057.54
4/1/2024				445,618.75	445,618.75	4097	0.64053225	285,433.18
10/1/2024		745,000	3.35%	445,618.75	1,190,618.75	4277	0.62811832	747,849.44
4/1/2025				433,140.00	433,140.00	4457	0.61594497	266,790.41
10/1/2025		790,000	3.40%	433,140.00	1,223,140.00	4637	0.60400756	738,785.81
4/1/2026				419,710.00	419,710.00	4817	0.59230150	248,594.86
10/1/2026		840,000	3.50%	419,710.00	1,259,710.00	4997	0.58082231	731,667.68
4/1/2027				405,010.00	405,010.00	5177	0.56956560	230,679.76
10/1/2027		890,000	3.50%	405,010.00	1,295,010.00	5357	0.55852705	723,298.11
4/1/2028				389,435.00	389,435.00	5537	0.54770243	213,294.50
10/1/2028		945,000	3.60%	389,435.00	1,334,435.00	5717	0.53708760	716,708.49
4/1/2029				372,425.00	372,425.00	5897	0.52667850	196,148.24
10/1/2029		1,000,000	3.65%	372,425.00	1,372,425.00	6077	0.51647112	708,817.88
4/1/2030				354,175.00	354,175.00	6257	0.50646158	179,376.03
10/1/2030		1,055,000	3.75%	354,175.00	1,409,175.00	6437	0.49664602	699,861.16
4/1/2031				334,393.75	334,393.75	6617	0.48702070	162,856.68
10/1/2031		1,120,000	3.80%	334,393.75	1,454,393.75	6797	0.47758192	694,592.16
4/1/2032				313,113.75	313,113.75	6977	0.46832608	146,639.33
10/1/2032		1,185,000	3.85%	313,113.75	1,498,113.75	7157	0.45924961	688,008.16
4/1/2033				290,302.50	290,302.50	7337	0.45034906	130,737.46
10/1/2033		1,255,000	3.90%	290,302.50	1,545,302.50	7517	0.44162100	682,438.03
4/1/2034				265,830.00	265,830.00	7697	0.43306210	115,120.90
10/1/2034		1,330,000	4.00%	265,830.00	1,595,830.00	7877	0.42466907	677,699.65
4/1/2035				239,230.00	239,230.00	8057	0.41643871	99,624.63
10/1/2035		1,410,000	4.00%	239,230.00	1,649,230.00	8237	0.40836786	673,492.52
4/1/2036				211,030.00	211,030.00	8417	0.40045342	84,507.69
10/1/2036		1,495,000	4.00%	211,030.00	1,706,030.00	8597	0.39269237	669,944.97
4/1/2037				181,130.00	181,130.00	8777	0.38508174	69,749.86
10/1/2037		1,580,000	4.00%	181,130.00	1,761,130.00	8957	0.37761861	665,035.46
4/1/2038				149,530.00	149,530.00	9137	0.37030011	55,370.98
10/1/2038		1,675,000	4.00%	149,530.00	1,824,530.00	9317	0.36312346	662,529.64
4/1/2039				116,030.00	116,030.00	9497	0.35608589	41,316.65
10/1/2039		1,770,000	4.10%	116,030.00	1,886,030.00	9677	0.34918471	658,572.84
4/1/2040				79,745.00	79,745.00	9857	0.34241729	27,306.07
10/1/2040		1,875,000	4.10%	79,745.00	1,954,745.00	10037	0.33578102	656,366.26
4/1/2041				41,307.50	41,307.50	10217	0.32927336	13,601.46
10/1/2041		2,015,000	4.10%	41,307.50	2,056,307.50	10397	0.32289183	663,964.89
	(28,053,277.20)	28,465,000		20,933,447.28	21,345,170.08			-

The Trustees of Northeastern Illinois University
 Certificates of Participation, Series 2012
 El Centro Campus Project
 Cover Bid

Bidder: **Robert Baird**

Bid: **\$27,649,061**

Date	Total Bid for TIC	Principal	Rate	Interest	Combined Debt Service	Number of Days from Delivery Date	Discount Factor at Yield of 3.9819766%	NPV of Cashflow
11/14/2012	(27,649,060.76)				(27,649,060.76)	0	1.00000000	(27,649,060.76)
4/1/2013				393,710.89	393,710.89	137	0.98510726	387,847.45
10/1/2013				517,284.38	517,284.38	317	0.96587676	499,632.96
4/1/2014				517,284.38	517,284.38	497	0.94702167	489,879.51
10/1/2014		420,000	3.000%	517,284.38	937,284.38	677	0.92853466	870,301.03
4/1/2015				510,984.38	510,984.38	857	0.91040853	465,204.53
10/1/2015		445,000	3.000%	510,984.38	955,984.38	1037	0.89263625	853,346.30
4/1/2016				504,309.38	504,309.38	1217	0.87521090	441,377.06
10/1/2016		470,000	3.000%	504,309.38	974,309.38	1397	0.85812572	836,079.93
4/1/2017				497,259.38	497,259.38	1577	0.84137406	418,381.14
10/1/2017		495,000	3.000%	497,259.38	992,259.38	1757	0.82494941	818,563.79
4/1/2018				489,834.38	489,834.38	1937	0.80884539	396,200.28
10/1/2018		525,000	3.000%	489,834.38	1,014,834.38	2117	0.79305575	804,820.23
4/1/2019				481,959.38	481,959.38	2297	0.77757433	374,759.24
10/1/2019		555,000	3.000%	481,959.38	1,036,959.38	2477	0.76239514	790,572.78
4/1/2020				473,634.38	473,634.38	2657	0.74751225	354,047.50
10/1/2020		590,000	3.000%	473,634.38	1,063,634.38	2837	0.73291990	779,558.80
4/1/2021				464,784.38	464,784.38	3017	0.71861242	333,999.82
10/1/2021		625,000	3.000%	464,784.38	1,089,784.38	3197	0.70458423	767,844.88
4/1/2022				455,409.38	455,409.38	3377	0.69082988	314,610.41
10/1/2022		660,000	3.000%	455,409.38	1,115,409.38	3557	0.67734404	755,515.90
4/1/2023				445,509.38	445,509.38	3737	0.66412146	295,872.34
10/1/2023		705,000	3.000%	445,509.38	1,150,509.38	3917	0.65115700	749,162.24
4/1/2024				434,934.38	434,934.38	4097	0.63844562	277,681.95
10/1/2024		745,000	3.125%	434,934.38	1,179,934.38	4277	0.62598239	738,618.14
4/1/2025				423,293.75	423,293.75	4457	0.61376245	259,801.81
10/1/2025		790,000	3.250%	423,293.75	1,213,293.75	4637	0.60178106	730,137.20
4/1/2026				410,456.25	410,456.25	4817	0.59003356	242,182.96
10/1/2026		840,000	3.250%	410,456.25	1,250,456.25	4997	0.57851539	723,408.18
4/1/2027				396,806.25	396,806.25	5177	0.56722206	225,077.26
10/1/2027		890,000	3.375%	396,806.25	1,286,806.25	5357	0.55614920	715,656.26
4/1/2028				381,787.50	381,787.50	5537	0.54529249	208,185.86
10/1/2028		945,000	3.375%	381,787.50	1,326,787.50	5717	0.53464771	709,363.90
4/1/2029				365,840.63	365,840.63	5897	0.52421074	191,777.58
10/1/2029		1,000,000	3.500%	365,840.63	1,365,840.63	6077	0.51397751	702,011.36
4/1/2030				348,340.63	348,340.63	6257	0.50394404	175,544.18
10/1/2030		1,055,000	3.500%	348,340.63	1,403,340.63	6437	0.49410644	693,399.64
4/1/2031				329,878.13	329,878.13	6617	0.48446088	159,813.05
10/1/2031		1,120,000	3.625%	329,878.13	1,449,878.13	6797	0.47500361	688,697.35
4/1/2032				309,578.13	309,578.13	6977	0.46573096	144,180.12
10/1/2032		1,185,000	3.625%	309,578.13	1,494,578.13	7157	0.45663933	682,483.15
4/1/2033				288,100.00	288,100.00	7337	0.44772517	128,989.62
10/1/2033		1,255,000	4.000%	288,100.00	1,543,100.00	7517	0.43898503	677,397.80
4/1/2034				263,000.00	263,000.00	7697	0.43041551	113,199.28
10/1/2034		1,330,000	4.000%	263,000.00	1,593,000.00	7877	0.42201327	672,267.15
4/1/2035				236,400.00	236,400.00	8057	0.41377506	97,816.42
10/1/2035		1,410,000	4.000%	236,400.00	1,646,400.00	8237	0.40569767	667,940.64
4/1/2036				208,200.00	208,200.00	8417	0.39777796	82,817.37
10/1/2036		1,495,000	4.000%	208,200.00	1,703,200.00	8597	0.39001285	664,269.88
4/1/2037				178,300.00	178,300.00	8777	0.38239932	68,181.80
10/1/2037		1,580,000	4.000%	178,300.00	1,758,300.00	8957	0.37493442	659,247.19
4/1/2038				146,700.00	146,700.00	9137	0.36761524	53,929.16
10/1/2038		1,675,000	4.000%	146,700.00	1,821,700.00	9317	0.36043895	656,611.63
4/1/2039				113,200.00	113,200.00	9497	0.35340274	40,005.19
10/1/2039		1,770,000	4.000%	113,200.00	1,883,200.00	9677	0.34650389	652,536.12
4/1/2040				77,800.00	77,800.00	9857	0.33973971	26,431.75
10/1/2040		1,875,000	4.000%	77,800.00	1,952,800.00	10037	0.33310758	650,492.47
4/1/2041				40,300.00	40,300.00	10217	0.32660491	13,162.18
10/1/2041		2,015,000	4.000%	40,300.00	2,055,300.00	10397	0.32022918	658,167.04
	(27,649,060.76)	28,465,000		20,498,764.01	21,314,703.25			-

Northeastern Illinois University
Certificates of Participation, Series 2012
EI Centro Campus Project
Market Pricing Comparison - Yields on Comparable Bond Sales

Bond Year	Our Issue			Comparable Sales - Reoffering Yields												
	11/1/2012 - Competitive \$28,500,000 Northeastern IL Univ. (A2/A-) COPs, Series 2012			3/6/2012 - Negotiated \$33,520,000 Western Illinois University (A) Revenue Bonds, Series 2012				4/4/2012 - Negotiated \$20,415,000 Governors State University (A-) Revenue Bonds, Series 2012				9/13/2012 - Negotiated \$50,000,000 State of Illinois (A2/A/A) GO Bonds, Series 9/2012				
	Yield	MMD Index	YTM Spread to MMD Index	Yield	YTM	MMD Index	YTM Spread to MMD Index	Yield	MMD Index	Yield Spread to MMD Index	Yield	MMD Index	Yield Spread to MMD Index	Yield	MMD Index	Yield Spread to MMD Index
2013				0.80%		0.18%	62									
2014	1.00%	0.30%	70	1.24%		0.26%	98	1.46%	0.36%	110	0.95%	0.20%	75			
2015	1.25%	0.42%	83	1.55%		0.42%	113	1.74%	0.54%	120	1.05%	0.29%	76			
2016	1.50%	0.52%	98	1.78%		0.53%	125	2.09%	0.79%	130	1.25%	0.38%	87			
2017	1.75%	0.67%	108	2.00%		0.72%	128	2.33%	0.98%	135	1.50%	0.50%	100			
2018	2.00%	0.83%	117	2.36%		1.04%	132	2.70%	1.25%	145	1.75%	0.72%	103			
2019	2.30%	1.06%	124	2.69%		1.33%	136	2.99%	1.51%	148	2.15%	0.97%	118			
2020	2.65%	1.30%	135	2.97%	3.083%	1.61%	147	3.22%	1.75%	147	2.45%	1.25%	120			
2021	3.00%	1.54%	146	3.10%		1.83%	127	3.48%	1.96%	152	2.74%	1.48%	126			
2022	3.10%	1.72%	138	3.25%		1.98%	127	3.60%	2.16%	144	3.02%	1.71%	131			
2023	3.25%	1.86%	139	3.40%		2.11%	129	3.75%	2.32%	143	3.19%	1.84%	135			
2024	3.35%	1.94%	141	3.50%		2.22%	128									
2025	3.40%	2.01%	139	3.60%		2.32%	128									
2026	3.50%	2.08%	142	3.70%		2.42%	128	4.00%	2.68%	132						
2027	3.55%	2.14%	141	3.80%		2.51%	129	4.10%	2.76%	134						
2028	3.60%	2.20%	140					4.15%	2.84%	131						
2029	3.65%	2.26%	139	4.00%		2.67%	133	4.25%	2.91%	134						
2030	3.75%	2.32%	143	4.10%		2.74%	136	4.30%	2.97%	133						
2031	3.80%	2.38%	142	4.15%		2.81%	134	4.35%	3.03%	132						
2032	3.85%	2.44%	141	4.20%		2.88%	132	4.45%	3.09%	136						
2033	3.90%	2.51%	139													
2037								4.60%	3.37%	123						
2038	4.00%	2.78%	122													
2041	4.10%	2.81%	129													
2042								4.65%	3.42%	123						
Optional Call:	10/1/2022 @ 100%			4/1/2019 @ 100%				4/1/2019 @ 100%				Noncallable				
Underwriter:	Edward Jones			Stifel Nicolaus Edward Jones				Stifel Nicolaus Edward Jones				Raymond James				

Shown above are issues by two public higher education institutions in IL as well as the latest State of IL issue. Western Illinois University, rated "A" by S&P, priced revenue bonds in March through a team comprised of Stifel Nicolaus and Edward Jones. Utilizing a similar par-like structure, the WIU issue priced at an average spread of 21 bps higher than NEIU on comparable maturities through 2020, an average of 13 bps lower 2021-2027, and an average of 8 basis points lower 2029-2032. This comparison shows that despite its lower rating, the NEIU issue was priced aggressively in the early maturities compared to the WIU issue. The Governors State University, rated "A-" by S&P, priced revenue bonds in April through the same Stifel Nicolaus & Edward Jones team. Using a similar par-like structure, the GSU issue priced at an average spread of 29 bps higher than NEIU on comparable maturities through 2020, an average of 5 bps higher 2021-23, an average of 8 bps lower 2026-2032, and an average of 2 bps lower on the two term bonds. This comparison to the similarly-rated GSU issue shows that Edward Jones was aggressive through the first ten maturities and perhaps less aggressive in maturities 10-20. The State of Illinois, rated "A2" by Moody's, "A" by S&P, and "A" by Fitch, priced GO bonds in the middle of September through Raymond James. The higher rated State of IL priced at an average spread of only 10 bps below NEIU on comparable maturities beginning in 2014. This 10 bp premium is further evidence that institutions in IL are increasingly pricing more on their own credit despite the financial woes of the State of IL.

Northeastern Illinois University
Certificates of Participation, Series 2012
El Centro Campus Project
Market Pricing Comparison - Yields on Comparable Bond Sales

Bond Year	Our Issue			Comparable Sales - Reoffering Yields											
	11/1/2012 - Competitive \$28,500,000 Northeastern IL Univ. (A2/A-) COPs, Series 2012			10/23/2012 - Negotiated \$20,840,000 MO Western State Univ. (A-) Revenue Bonds, Series 2012			10/23/2012 - Negotiated \$39,325,000 University of the South (TN) (A+) Revenue Bonds, Series 2012				11/6/2012 - Negotiated \$35,040,000 Providence College (RI) (A2/A) Revenue Bonds, Series 2012B				
	Yield	MMD Index	YTM Spread to MMD Index	Yield	MMD Index	Yield Spread to MMD Index	Yield	YTM	MMD Index	YTM Spread to MMD Index	Yield	YTM	MMD Index	YTM Spread to MMD Index	
2013				0.70%	0.20%	50	0.33%		0.20%	13	0.38%		0.20%	18	
2014	1.00%	0.30%	70	0.90%	0.30%	60	0.53%		0.30%	23	0.62%		0.30%	32	
2015	1.25%	0.42%	83	1.10%	0.40%	70	0.69%		0.40%	29	0.87%		0.42%	45	
2016	1.50%	0.52%	98	1.30%	0.51%	79	0.91%		0.51%	40	1.07%		0.52%	55	
2017	1.75%	0.67%	108	1.60%	0.67%	93	1.10%		0.67%	43	1.30%		0.67%	63	
2018	2.00%	0.83%	117	1.80%	0.83%	97	1.33%		0.83%	50	1.51%		0.83%	68	
2019	2.30%	1.06%	124	2.10%	1.06%	104	1.61%		1.06%	55	1.78%		1.05%	73	
2020	2.65%	1.30%	135	2.40%	1.32%	108	1.92%		1.32%	60	2.07%		1.29%	78	
2021	3.00%	1.54%	146	2.60%	1.56%	104	2.21%		1.56%	65	2.36%		1.53%	83	
2022	3.10%	1.72%	138	2.80%	1.74%	106	2.39%	2.445%	1.74%	70	2.55%		1.72%	83	
2023	3.25%	1.86%	139	2.90%	1.88%	102	2.55%	2.775%	1.88%	90	2.69%	2.855%	1.86%	100	
2024	3.35%	1.94%	141	3.00%	1.96%	104	2.68%	2.961%	1.96%	100	2.76%	3.053%	1.93%	112	
2025	3.40%	2.01%	139	3.10%	2.03%	107	2.80%	3.113%	2.03%	108					
2026	3.50%	2.08%	142	3.20%	2.10%	110	3.00%		2.10%	90					
2027	3.55%	2.14%	141	3.25%	2.16%	109	3.06%		2.16%	90					
2028	3.60%	2.20%	140	3.30%	2.22%	108									
2029	3.65%	2.26%	139	3.35%	2.28%	107	3.12%		2.28%	84					
2030	3.75%	2.32%	143	3.40%	2.34%	106	3.24%		2.34%	90					
2031	3.80%	2.38%	142	3.45%	2.40%	105									
2032	3.85%	2.44%	141	3.50%	2.46%	104	3.28%		2.46%	82					
2033	3.90%	2.51%	139	3.55%	2.53%	102									
2038	4.00%	2.78%	122												
2041	4.10%	2.81%	129												
Optional Call:	10/1/2022 @ 100%			10/1/2017 @ 100%			9/1/2021 @ 100%				11/1/2022 @ 100%				
Underwriter:	Edward Jones			Edward Jones			Raymond James Morgan Keegan				BofA Merrill Lynch				

Shown above are three higher education issuers that priced tax-exempt bonds within a week of NEIU's Series 2012 COPs. Missouri Western State University, rated "A-" by S&P, priced revenue bonds a week prior to NEIU through Edward Jones. Utilizing a similar par-like structure, the Missouri issue priced at an average spread of 22 bps below NEIU in the first ten years and 35 bps thereafter. The University of the South in Tennessee, rated "A+" by S&P, priced revenue bonds a week prior to NEIU through Raymond James Morgan Keegan. Using both callable premiums and discounts, the Tennessee issue priced at an average spread of 65 bps better than NEIU in the first ten years and 49 bps better thereafter on a yield-to-maturity basis. Providence College, rated "A2" by Moody's and "A" by S&P, priced revenue bonds a week after NEIU through BofA Merrill Lynch. The Providence issue priced at an average spread of 46 bps below NEIU on a yield-to-maturity basis. Compared to these issues, NEIU's wider spreads can be explained by the current market's bias against both Illinois credits and certificates of participation as well as Illinois' status as a non-specialty tax state.

THE BOND BUYER

Thursday, November 1, 2012 | as of 10:03

[Markets - Market News](#) AM ET

Market Close: Despite Opening, Muni Trading Remains Limited

by: [Taylor Riggs](#)

Wednesday, October 31, 2012

The tax-exempt market struggled to gain footing Wednesday as most market participants said trading was too slow to move the market.

Wednesday was the first full day of trading this week after a full close Tuesday and an early close Monday due to Hurricane Sandy.

"It's a pretty easy read — there is nothing going on," a New Jersey trader said. "It's very slow. No one is in the office and no deals priced. And the rest of the week will be the same. As far as I can tell most deals are pushed into next week.

Other traders agreed the market felt unusually calm as many participants in the Northeast were stranded without power and transportation.

"Munis are flat," a New York trader said. "And I would imagine most deals are postponed."

In the primary market, most negotiated deals were postponed due to Hurricane Sandy.

In the competitive market, California's Marin Community College District sold \$92.44 million of general obligation bonds in two parts – a \$47 million deal followed by a \$45.44 million sale. The bonds are rated Aa1 by Moody's Investors Service and AA by Standard & Poor's. Pricing details were not available by press time.

On Wednesday, the Municipal Market Data scale ended flat. The 10-year muni yield and the 30-year yield were steady at 1.72% and 2.82%, respectively. The two-year remained at 0.30% for the 25th straight trading session.

Treasuries rallied Wednesday. The benchmark 10-year yield dropped three basis points to 1.69% while the 30-year yield fell one basis point to 2.87%. The two-year was steady at 0.29%.

Over the course of October, muni-to-Treasury ratios have fallen as munis outperformed Treasuries and became relatively more expensive.

The five-year ratio fell to 93.1% on Wednesday from 100% on Oct. 1. The 10-year ratio dropped to 101.8% from 104.9% at the beginning of the month. The 30-year ratio fell to 98.3% from 101.1% at the start of the month.

And that trend has continued all year on the short- and long-ends. The five-year muni yield to Treasury yield ratio dropped from 98.9% on Jan. 3 while the 30-year ratio plummeted from 119.4%.

To be sure, ratios in the belly of the curve have risen as munis underperformed Treasuries and became relatively cheaper since the beginning of the year. The 10-year ratio has jumped from 96.4%, where it started the year.

Throughout October, credit spreads have compressed as yield-hungry investors continue to move down the credit scale in search for yield. The five-year triple-A to single-A spread has compressed to 53 basis points at the end of October from 58 basis points at the start of the month. Similarly, the spread has compressed from 82 basis points where it started the year.

The 10-year triple-A to single-A spreads compressed to 70 basis points at the end of the month from 74 basis points at the beginning of October. It has compressed from 96 basis points where it started the year.

The 30-year triple-A to single-A spread compressed to 69 basis points from 73 basis points at the beginning of October. It has fallen dramatically from where it started the year at 89 basis points.

Similarly, the slope of the yield curve has flattened as investors extend duration of bonds in search of yield. The one- to 30-year slope fell to 262 basis points at the end of October from 265 basis points at the beginning of the month.

The one- to 10-year slope has steepened as investors sold bonds in the belly of the curve throughout the month. The slope steepened to 152 basis points from 150 basis points at the beginning of the month.

As has been the case for most of the year, high yield municipal bonds continue to outperform the rest of the market. The Standard & Poor's Municipal Bond High Yield Index has returned 15.68% year-to-date and 1.29% month-to-date. That compares to the Standard & Poor's Municipal Bond Investment Grade Index, which returned 6.53% year-to-date and 0.26% month-to-date.

High yield sectors have also largely outperformed the general market. The Standard & Poor's Municipal Bond Tobacco Index returned 20.37% year-to-date and 3.22% month-to-date.

Similarly, the Standard & Poor's Municipal Bond Health Care Index returned 10.03% year-to-date and 0.49% month-to-date. The Standard & Poor's Municipal Bond Housing Index returned 6.59% year-to-date and 0.33% month-to-date.

On a national level, revenue bonds continue to outperform general obligation bonds this year. The Standard & Poor's Municipal Bond Revenue Index returned 8.26% year-to-date and 0.44% month-to-date. That compares to the Standard & Poor's Municipal Bond General Obligation Index, which returned 5.71% year-to-date and 0.17% month-to-date.

Local GO bonds have outperformed state GOs. The Standard & Poor's Municipal Bond Local General Obligation Index returned 6.72% year-to-date and 0.23% month-to-date while the Standard & Poor's Municipal Bond State General Obligation Index returned 4.97% year-to-date and 0.13% month-to-date.

THE BOND BUYER

Friday, November 2, 2012 | as of 11:17 AM

[Markets - Market News](#) ET

Market Close: Munis Show Signs of Life as Trading Resumes

by: [Taylor Riggs](#)

Thursday, November 1, 2012

The tax-exempt market remained fairly quiet Thursday after a very slow Wednesday, though traders noted the muni market was starting to get off life support after Hurricane Sandy.

Thursday was the second full day the bond market was open after a full close Tuesday and an early close Monday.

Traders said the market was picking up a little steam with some deals pricing Thursday.

"It's still slow, but most of the smaller healthcare deals are going well," a Chicago trader said. "We bumped ours and the rest seem to be doing fine too. Customers are looking to get reengaged but with so much of the market's recent activity based on the primary we really need these deals to come so trading can resume."

He added for the most part, trading activity won't pick up until after the election. "I really think it'll be post-election before we have a significant move one direction or another."

A second trader said munis were picking up steam, though trading was still steady. "Munis are trading a little bit," a New York trader said. "It's pretty flat though. But it's better than yesterday."

In the primary market, Morgan Stanley priced and repriced \$355.1 million of East Bay Municipal Utility District, Calif. water system revenue refunding bonds, rated Aa1 by Moody's Investors Service, AAA by Standard & Poor's, and AA-plus by Fitch Ratings.

Yields ranged from 0.19% with a 2% coupon in 2013 to 2.26% with a 5% coupon in 2026. The bonds are callable at par in 2022 except for credits maturing in 2023 which are not callable.

JPMorgan priced \$48.7 of additional East Bay Municipal Utility District water system revenue refunding bonds, rated Aa1 by Moody's, AAA by Standard & Poor's, and AA-plus by Fitch.

Yields ranged from 0.53% with a 5% coupon in 2014 to 0.83% with a 5% coupon in 2021.

Jenny Poree, principal at financial advisor Montague DeRose, said the deal went extremely well and was one of the first major deals to price after Hurricane Sandy.

Poree said it was almost two times oversubscribed and yields were lower to the Municipal Market Data scale than the last time the issuer came to market. East Bay MUD was also able to significantly lower its swap exposure.

"It certainly was a challenging time to price two deals," said Eric Sandler, finance direction of the authority. "However, despite the serious storm impacts, the combination of the district's strong credit and a solid underwriting team helped generate significant investor demand. Most importantly, these transactions provided significant savings and cost-effectively reduced risk for the District's ratepayers."

In the secondary market, trades compiled by data provider Markit showed mostly strengthening. Yields on Tobacco Securitization Authority of Southern California 5s of 2037 dropped nine basis points to 6.30% while yields on Dallas, Texas, 5s of 2024 fell three basis points to 2.09%.

Yields on Fontana, Calif., Unified School District 5s of 2018 and Jacksonville Electric Authority 5s of 2039 fell one basis point each to 1.27% and 3.25%, respectively.

On Thursday, the Municipal Market Data scale ended steady. The 10-year muni yield and the 30-year yield were flat at 1.72% and 2.82%, respectively, for the third session. The two-year remained at 0.30% for the 26th straight trading session.

Treasuries were weaker as stocks climbed higher. The benchmark 10-year yield jumped three basis points to 1.72% while the 30-year yield increased two basis points to 2.89%. The two-year yield fell one basis point to 0.28%.

Analysts at Moody's said many municipalities may be affected by the hurricane and their liquidity could be tested. In a recent note, analysts noted that local governments face credit negative risk due to unbudgeted costs for flood control, cleanup, sheltering evacuees, emergency services, and rebuilding damaged infrastructure.

"In extreme cases, strains on liquidity could occur if recovery costs exceed budget and federal reimbursements are delayed," the analysts wrote. "Public transit systems may be particularly challenged because they face large cleanup costs in addition to lost revenue during the period in which they are inoperable."

Fortunately, U.S. municipal issuers have an extremely strong track record of recovering from natural disasters without impairments to bondholder, Moody's wrote. "The immediate disruptions of these disasters tend to cause short-term liquidity problems but subsequent spending from insurance, federal aid, state support and private charitable donations is very simulative for local and regional economies."



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THE BOND BUYER

Monday, November 5, 2012 | as of 10:16

[Markets - Market News](#) AM ET

Market Close: Deals Price as Munis Get Back to Work

by: [Taylor Riggs](#)

Friday, November 2, 2012

The tax-exempt market got off to a stronger start Friday as traders slowly started making their way back to work and pricing deals that were postponed earlier in the week.

Several big deals came to market Thursday and Friday and traders said activity was better, although still limited.

Friday was the third full day the markets were open after an early close Monday and a full close Tuesday.

"There is trading but it's lighter than normal," a New York trader said.

In the primary market Friday, Bank of America Merrill Lynch held preliminary pricing for \$169.6 million of Massachusetts Development Finance Agency revenue bonds for the Covanta Energy Project, rated Ba2 by Moody's Investors Service, BB-minus by Standard & Poor's, and BB-plus by Fitch Ratings.

The first series, \$20 million of resource recovery revenue bonds subject to the alternative minimum tax, were priced at par with a 4.875% coupon in 2027. The bonds are callable at par in 2017.

The second series, \$67.2 million of resource recovery refunding revenues bonds, were priced at par with a 5% coupon in 2042. The bonds are callable at par in 2017.

The third series, \$82.4 million of resource recovery refunding revenue bonds subject to the alternative minimum tax, were priced at par with a 5.375% coupon in 2042. The bonds are callable at par in 2017.

Bank of America Merrill Lynch also priced \$165 million of Niagara Area Development Corp. solid waste disposal facility refunding revenue bonds for the Covanta Energy Project, rated Ba2 by Moody's, BB-minus by Standard & Poor's, and BB-plus by Fitch.

The first series of \$130 million of bonds subject to the alternative minimum tax were priced at par with a 5.375% coupon in 2042. The bonds are callable at par in 2017.

The second series of \$35 million were priced at par with a 4.125% coupon in 2024. The bonds are callable at par in 2017.

On Friday, the Municipal Market Data scale was steady to weaker. Yields on bonds maturing between 2014 and 2023 were steady to one basis point higher while yields outside 2024 were flat.

After weakening in the morning due to better than expected economic data, Treasuries pared losses to end mostly steady. The two-year and benchmark 10-year yields were flat at 0.28% and 1.72%, respectively. The two-year yield increased two basis points to 2.91%.

In economic news, non-farm payrolls jumped 171,000 in October while the jobless rate ticked up to 7.9%.

"The economic data for October continue to be relatively upbeat as the gain in payrolls and the upward revision to employment growth in the prior two months put the level of payrolls in October some 255,000 above the previously reported level for September," wrote economists at RDQ Economics. "The employment gains in the household survey are implausibly high and we still expect to see an eight-handle on the unemployment rate again before the end of the year."



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