

*Maryland Health and Higher
Educational Facilities Authority*

2016 ANNUAL REPORT

Maryland Health and Higher Educational Facilities Authority

The Maryland Health and Higher Educational Facilities Authority believes that Maryland's healthcare institutions, colleges and universities and non-collegiate schools are very important to our state's future.

The mission of the Authority is to assist non-profit educational institutions and hospitals and related healthcare organizations in financing the construction and acquisition of capital projects. In the pursuit of our goal, we strive to keep abreast of opportunities to reduce the cost of capital in order to meet the changing needs of our borrowing institutions and assure their strength as vital assets of the state.

The Authority is empowered to perform a variety of functions on behalf of its constituents, including the following:

- *Issuing fixed and variable rate bonds and notes, including commercial paper.*
- *Financing and refinancing construction, renovation and equipping of facilities for nonprofit hospitals, colleges, universities, non-collegiate schools, retirement communities, nursing homes, assisted living facilities and other long-term care facilities.*
- *Entering into leases and subleases of projects and contracts for the operation and management of projects for these institutions.*
- *Making loans to participating institutions to finance projects, including hospital facilities, ambulatory care centers and other outpatient facilities, parking garages, research facilities, academic buildings, dormitories, dining halls, libraries and athletic facilities.*
- *Establishing and administering pooled loan programs to reduce financing costs and provide enhanced access to the capital markets.*

As an instrumentality of the State of Maryland providing financing for key institutional projects, the Authority is proud of its role in improving the health and wellbeing of the residents of our state.

Maryland Health and Higher Educational Facilities Authority

AUTHORITY MEMBERS

SHEILA K. RIGGS, *Chairman*

Term expires July 1, 2018; resident of Baltimore City; Trustee and former Chairman of the Board- The Maryland Institute, College of Art; former President and Chairman of the Board - Greater Baltimore Medical Center; former Trustee and Secretary of the Board - Bryn Mawr School; former Co-Chairman-Baltimore Council on Foreign Affairs; and former member – Board of Loyola Notre Dame Library.

ARNOLD WILLIAMS, *Vice-Chairman*

Term as member expired July 1, 2014; resident of Baltimore County; Managing Director- Abrams, Foster, Nole & Williams, P.A.; Chairman of the Board- Baltimore Development Corporation; member- Baltimore City Industrial Development Authority; Lexington Market, Inc.; The Presidents' Roundtable; and The Greater Baltimore Committee; former Board Chairman- Bon Secours Baltimore Health System, Inc.; former member - Baltimore City Chamber of Commerce; and Past Chair and former member- Maryland State Board of Accountancy.

NANCY K. KOPP, *ex officio*

Resident of Montgomery County; Treasurer of the State of Maryland; Chair- Maryland Capital Debt Affordability Committee; College Savings Plans of Maryland; and Board of Trustees of the Maryland State Retirement and Pension System; and member- Maryland Board of Public Works; Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans; Hall of Records Commission; Board of Revenue Estimates; and Maryland Commission on State Debt. Treasurer Kopp also serves as Trustee on the National Financial Accounting Foundation (FAF) Board.

CATHERINE ASHLEY-COTLEUR, PH.D., *Member*

Term expires July 1, 2017; resident of Washington County; Professor- College of Business and MBA Program Coordinator, Frostburg State University; member- American Marketing Association; United States Association of Small Business and Entrepreneurship; and International Conference of Small Business and Entrepreneurship.

JAMES P. DALY, JR., *Member*

Term expires July 1, 2018; resident of Anne Arundel County; Partner, BH-Works, Inc.; former Managing Director-Legg Mason Capital Management; former Principal-Alex Brown & Sons Incorporated; Vice Chair-Board of Trustees of Mater Dei Prep (NJ); Advisory Board Member-Loyola University of Maryland College of Arts and Sciences; and Advisory Board Member-TEDCO Veterans Opportunity Fund Advisory Board.

THOMAS E. DOBYNS, J.D., *Member*

Term expires July 1, 2016; resident of Montgomery County; Principal- Thomas Dobyns Attorney at Law, Chevy Chase, Maryland; and member- Health Law Forum Committee and Affordable Housing and Community Development Law Forum Committee of the American Bar Association; Health Law Section of the District of Columbia Bar; Health Law Section of the Maryland State Bar Association; Habitat for Humanity; and Society of St. Andrew.

RICHARD M. LERNER, *Member*

Term expires July 1, 2019; resident of Annapolis; Chairman of the Board-Hospice of the Chesapeake, Inc.; Member-President's Council of Tulane University; former Chairman and CEO-Annapolis Bancorp, Inc. and BankAnnapolis; former Chairman-Maryland Region First National Bank; former Chairman of the Board-Foundation for Community Partnerships (now known as Chesapeake Charities) and Hospice of the Chesapeake Foundation; and former Board member-Anne Arundel County CASA, Inc.

FREDERICK W. MEIER, JR., *Member*

Term expires July 1, 2015; resident of Baltimore City; Senior Advisor- Lord Baltimore Capital Corporation; former Executive Vice President- First Maryland Bancorp; Director- Rodney Trust Company; Attransco; and AMA Capital Partners; member- Baltimore City Board of Finance; former Vice President and Trustee- The Baltimore Museum of Art; Honorary Trustee and former President of Board of Trustees- The Boys' Latin School of Maryland; former member of Board of Governors- The Center Club; and former Director- Forestal San Jose (Chile); Jugos del Sur (Argentina); Norden A/S (Denmark); and Empresas Navieras, S.A.

AUTHORITY MEMBERS (continued)

WILLIAM DANIEL WHITE, *Member*

Term expires July 1, 2020; resident of Baltimore County; Executive Vice President, Assistant Secretary, Assistant Treasurer and Board Member-The Whiting-Turner Contracting Company; Board Member-Stevenson University; Board Member-Maryland Chamber of Commerce; Advisory Board Member-Towson University; Advisory Board Member-Johns Hopkins University Whiting School of Engineering; Board and Executive Committee Member & Treasurer-Economic Alliance of Greater Baltimore; Board Member and Immediate Past Board Chair-Maryland Family Network, Planning Committee Chair-Baltimore Country Club; former Board Member and member of the Executive Committee-Calvert Hall College High School; former Board Member-Leadership Maryland, Downtown Partnership; USS Constellation Museum; Multiple Sclerosis Society; and Untied Way Campaigns; former Member-Baltimore County Executive's Advisory Board for Higher Education; Johns Hopkins University Engineering Alumni Association; and University of Maryland College of Engineering Construction Management Curriculum Advisory Board; former Committee Member-The Family Tree; former Chairman-The Woodbourne Center; former Vice Chairman-Baltimore County Chamber of Commerce, Economic Development; former Chairman of the Board-Advanced Resource Management Systems; former adjunct faculty-The Johns Hopkins University.

By the terms of the Authority's enabling act, members continue to serve until their successors are appointed.

AUTHORITY STAFF

ANNETTE ANSELM
Executive Director

RYAN WARD
Assistant Director

JOHN BENNETT
Accounting and Compliance Officer

LENA PRINCE
Senior Account Manager

MARY JANE LUPUS
Account Manager

KATHY RECH
Account Manager

STEPHANIE BURRELL
Executive Assistant

MEZERENA WELLS
Administrative Assistant

AUTHORITY CONSULTANTS

McKENNON SHELTON & HENN LLP
Bond Counsel

PUBLIC FINANCIAL MANAGEMENT, INC. (PFM)
Financial Advisor

FAIRMOUNT CAPITAL ADVISORS, INC.
Financial Advisor

COHNREZNICK LLP
Independent Auditors

MANAGEMENT CONSULTING SERVICES
Management Consultant

Maryland Health and Higher Educational Facilities Authority

Report of Independent Auditors



CohnReznick LLP
cohnreznick.com

Independent Auditor's Report

To the Members
Maryland Health and Higher Educational Facilities Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Maryland Health and Higher Educational Facilities Authority (the "Authority"), which comprise the balance sheets as of June 30, 2016 and 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2016 and 2015, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Maryland Health and Higher Educational Facilities Authority

Report of Independent Auditors

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Required Pension Related Supplementary Information on pages 7 through 13 and 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 37 through 49 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Baltimore, Maryland
September 13, 2016

Introduction

This discussion and analysis of the financial performance of the Maryland Health and Higher Educational Facilities Authority (the "Authority") is supplementary information required by the Governmental Accounting Standards Board. It introduces the basic financial statements and provides a brief overview of the Authority's financial activities. It should be read in conjunction with the financial statements that follow this discussion.

The Authority is an instrumentality of the State of Maryland which assists non-profit educational institutions and hospitals and related healthcare organizations in financing the acquisition and construction of capital projects.

The Authority does not receive any appropriations from the State of Maryland and is funded entirely from fees charged to participating borrowers and interest earnings on investments.

Overview of the Financial Statements

The three basic statements presented within the financial statements are as follows:

- Balance Sheet - This statement presents information reflecting the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Net position is equal to total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.
- Statement of Revenues, Expenses and Changes in Net Position - This statement reflects the operating revenues and expenses, as well as non-operating revenues and expenses for the fiscal year. Operating revenue is generated from annual administrative fees and application fees charged to borrowers. Operating expense includes staff salaries, professional fees and other expenses. The change in net position is similar to net profit or loss for a business enterprise.
- Statement of Cash Flows - The statement of cash flows is presented using the direct method of reporting which reflects cash flows from operating, financing and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Summary of Activities

- During fiscal year 2016 the Authority issued and delivered 17 bond issues totaling approximately \$970 million. The approximately \$368 million decrease from the total issued in fiscal year 2015 is primarily due to fewer Public issues in 2016.
- During fiscal year 2016 the Authority also exercised conversion options with respect to the basis on which interest is calculated and/or extensions of mandatory purchase dates

Maryland Health and Higher Educational Facilities Authority Management's Discussion and Analysis

on three private placement bond issues with outstanding balances totaling more than \$45.9 million.

- Operating revenues increased by approximately \$52,500 due entirely to an increase in administrative fees. The Authority funds its operations using a combination of annual administrative fees, application fees and non-operating investment income. Administrative fees may be set at a maximum of one tenth of one percent of the par amount of debt issued per annum. The application fee is currently \$5,000. In fiscal year 2016, the Authority continued to waive 75% of the annual administrative fees chargeable to borrowing institutions for financings that were in place prior to fiscal year 2008 and 70% for financings completed in fiscal year 2008 and after.
- Operating expenses decreased by approximately \$56,800. The largest decrease was in Professional Fees, \$88,200, primarily due to fewer Public bond issues and therefore a corresponding decrease in financial advisor services. The largest increases were in Salaries and Benefits, a combined increase of \$47,300, primarily due to no vacant positions for the entire year. Other Operating expenses decreased by \$18,800 attributable to non-recurring office renovation expenditures that occurred in 2015.
- The Authority had approximately \$8.7 billion and \$8.8 billion of conduit debt outstanding at June 30, 2016 and June 30, 2015, respectively. A schedule of debt outstanding is included in the additional information that accompanies these financial statements. All bonds and notes issued by the Authority are limited obligations payable solely from amounts payable by participating institutions under the loan or lease agreements executed in connection with the issuance of the bonds or revenues of the project financed. The Authority has no outstanding debt constituting a general obligation of the Authority or a pledge of its faith and credit.

Maryland Health and Higher Educational Facilities Authority
 Management's Discussion and Analysis

Financial Highlights

The following summarizes the financial position and results of operations of the Authority for the fiscal years ended June 30, 2016 and 2015 (in thousands of dollars):

	June 30, 2016	June 30, 2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$25,506	\$24,242
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	873	755
NET POSITION	24,633	23,487
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$25,506	\$24,242
OPERATING REVENUES	\$2,785	\$ 2,733
OPERATING EXPENSES	1,885	1,942
OPERATING INCOME	900	791
NON-OPERATING REVENUES		
Net income from investments	215	192
Unrealized gain on investments	31	1
TOTAL NON-OPERATING REVENUES	246	193
INCREASE IN NET POSITION	1,146	984
Net position, beginning of year	23,487	22,503
Net position, end of year	\$24,633	\$23,487

Summary of Financings

During fiscal years 2016 and 2015, the Authority issued:

	<u>2016</u>	<u>2015</u>
Public Issues	\$636,580,000	\$1,190,340,000
Private Placements	333,385,000	147,428,000
	<u>\$969,965,000</u>	<u>\$1,337,768,000</u>

Maryland Health and Higher Educational Facilities Authority Management's Discussion and Analysis

The following is a list of bonds issued during fiscal year 2016:

HEALTHCARE FINANCINGS:

\$257,300,000 Meritus Medical Center Issue, Series 2015

A public offering to refund the Authority's Revenue Bonds, Washington County Hospital Issue, Series 2008 and to finance certain new projects.

\$159,685,000 LifeBridge Health Issue, Series 2015

A public offering to finance certain capital projects and to refund the Authority's Revenue Bonds, Carroll Hospital Center Issue, Series 2006 and some portion of LifeBridge Health Issue, Series 2008 and to refinance a taxable line of credit drawn to refinance certain revenue bonds issued by the Authority on behalf of Carroll Hospital Center.

\$21,000,000 Calvert Memorial Hospital Issue (2015)

A private placement to finance (1) the renovation and expansion of the hospital's Radiology Department, (2) the replacement of the hospital's Information System, (3) other routine capital purchases and (4) transaction related costs.

\$35,315,000 Taxable Special Obligation Bonds, The Johns Hopkins Health System Issue, Series 2015D

A public offering to restructure the escrow for the Authority's Revenue Bonds, Howard County General Hospital Issue, Series 1993.

\$12,615,000 University of Maryland Faculty Physicians Issue (2015)

A private placement to refund the Authority's Revenue Bonds, University Physicians Issue (2010).

\$9,000,000 Johns Hopkins Health System Issue (2012 E-4)

A private placement to finance capital improvements.

\$135,250,000 Mercy Medical Center Issue, Series 2016A

A public offering to refund the Authority's Revenue Bonds, Mercy Medical Center Issue, Series 2007A.

\$35,055,000 Mercy Medical Center Issue (2016B)

\$65,450,000 Mercy Medical Center Issue (2016C)

Two private placements to refund the Authority's Revenue Bonds, Mercy Medical Center Issue (2011B), Mercy Medical Center Issue (2013) and Mercy Medical Center Issue (2013B).

Maryland Health and Higher Educational Facilities Authority Management's Discussion and Analysis

\$48,565,000 Johns Hopkins Health System Issue (2016A)

A private placement to refund the Authority's Revenue Bonds, Johns Hopkins Health System Issue (2012A).

\$48,245,000 Johns Hopkins Health System Issue (2016B)

A private placement to refund the Authority's Revenue Bonds, Johns Hopkins Health System Issue, Series 2011B.

\$31,945,000 Doctors Community Hospital Issue (2016)

A private placement to refund a portion of the Authority's Revenue Bonds, Doctors Community Hospital Issue, Series 2007A and Doctors Community Hospital Issue, Series 2010.

HIGHER EDUCATIONAL INSTITUTION FINANCINGS:

None

RETIREMENT COMMUNITY FINANCINGS:

\$33,000,000 King Farm Presbyterian Retirement Community Issue (2015)

A private placement to finance campus improvements and predevelopment costs for Phase II expansion of Ingleside at King Farm.

\$49,030,000 Edenwald Issue, Series 2015

A public offering to refund the Authority's Revenue Bonds, Edenwald Issue, Series 2006A and the financing of certain capital projects, including renovation of the Garden Court and refurbishment of the common areas and furniture for the Assisted Living Dementia, Comprehensive Care Dementia and Comprehensive Care units.

NON-COLLEGIATE SCHOOL FINANCINGS:

\$12,810,000 Indian Creek School Issue (2015)

A private placement to refinance the Authority's Revenue Bonds, Indian Creek School Issue (2010).

\$4,900,000 Friends Community School Issue (2015)

A private placement to refinance the Authority's Revenue Bond, Friends Community School Issue (2010) and to finance general construction and equipment.

Maryland Health and Higher Educational Facilities Authority Management's Discussion and Analysis

\$10,800,000 Bishop McNamara High School Issue (2016)

A private placement to refund the Authority's Revenue Bonds, Bishop McNamara High School Issue, Series 2007.

Total Principal of Bonds Outstanding (in thousands of dollars)

Public Offerings	\$6,543,316
Private Placements	<u>2,120,708</u>
Total	<u>\$8,664,024</u>

Refer to pages 42-44 for a detailed list of the Public Offerings and Private Placements outstanding.

Refer to pages 45-48 for a detailed list of the bonds outstanding for each borrower.

Subsequent Bond Activity

Prior to June 30, 2016 the following bonds were authorized and subsequent to June 30, 2016, the following bonds were issued:

- \$15,999,265 The Key School Issue (2016A)
- \$500,735 Taxable Revenue Bond, The Key School Issue (2016B)

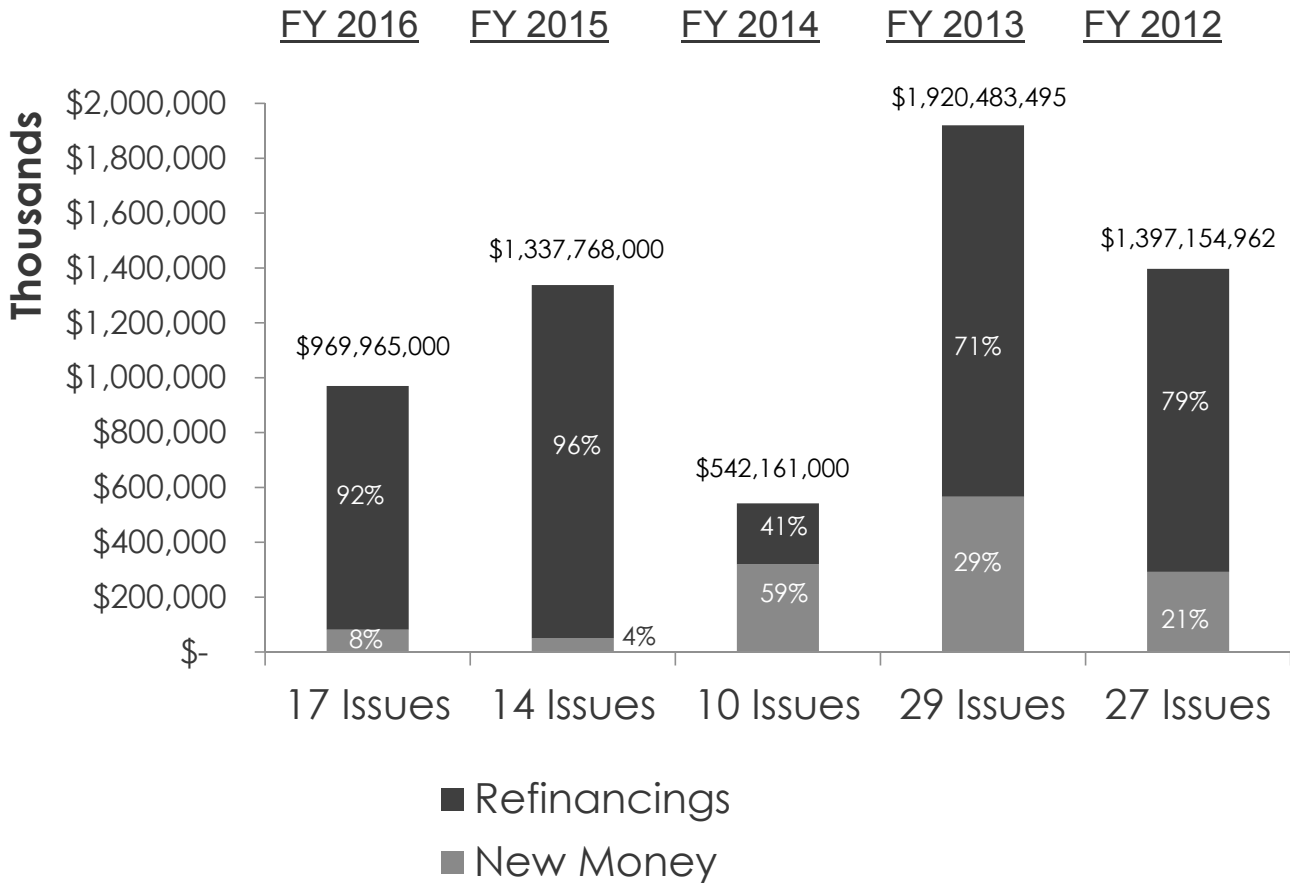
Subsequent to June 30, 2016, the following bonds were authorized and issued:

- \$13,800,000 Severn School Issue (2016 A & B)

Prior to June 30, 2016, the following bond was authorized but had not been issued as of September 13, 2016 [the date on which these financial statements were available to be issued].

- \$4,200,000 Mosaic Community Services Issue (2016)

5 Year Bond Issuance Comparison



Requests for Information

This financial report is designed to provide interested parties with a general overview of the Authority's finances. If you have questions about this report or need additional financial information, please contact:

Maryland Health and Higher Educational Facilities Authority
 Attention: Executive Director
 401 East Pratt Street, Suite 1224
 Baltimore, MD 21202

Telephone: (410) 837-6220
 Fax: (410) 685-1611
 Email: webmaster@mhhefa.org

Maryland Health and Higher Educational Facilities Authority
Balance Sheets
June 30, 2016 and June 30, 2015
(in thousands of dollars)

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,374	\$ 661
Investments at fair value	6,584	5,435
Interest receivable	24	53
Administrative fees receivable	7	-
Prepaid insurance and all other prepayments	52	45
Total current assets	9,041	6,194
Non-current assets:		
Investments at fair value	16,281	17,946
Capital assets (net of accumulated depreciation of \$196 and of \$179, respectively)	23	37
Total non-current assets	16,304	17,983
Deferred outflows of resources - pension related	161	65
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 25,506	\$ 24,242
LIABILITIES AND NET POSITION BALANCES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 17	\$ 22
Accrued salaries and benefits	71	69
Total current liabilities	88	91
Non-current liabilities:		
Accrued vacation	130	122
Accrued rent	30	32
Net pension liability	575	460
Total non-current liabilities	735	614
Deferred inflows of resources - pension related	50	50
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	873	755
NET POSITION		
Invested in capital assets	23	37
Unrestricted:		
Designated for operations	3,770	3,884
Designated for contingencies	20,840	19,566
TOTAL NET POSITION	24,633	23,487
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 25,506	\$ 24,242

The accompanying notes are an integral part of these financial statements

Maryland Health and Higher Educational Facilities Authority
 Statements of Revenues, Expenses and Changes in Net Position
 For the years ended June 30, 2016 and June 30, 2015
 (in thousands of dollars)

	2016	2015
OPERATING REVENUES		
Annual administrative fees	\$ 2,705	\$ 2,653
Bond issue application fees	80	80
TOTAL OPERATING REVENUES	2,785	2,733
OPERATING EXPENSES		
Salaries	863	809
Employees' insurance, pension and other fringe benefits	132	139
Payroll taxes	54	50
Professional fees	447	535
Contract services	171	172
Office rent, phone and internet	106	106
Insurance	63	63
Depreciation	18	18
Other	31	50
TOTAL OPERATING EXPENSES	1,885	1,942
OPERATING INCOME	900	791
NON-OPERATING REVENUES		
Net income from investments	215	192
Unrealized gain on investments	31	1
TOTAL NON-OPERATING REVENUES	246	193
INCREASE IN NET POSITION	1,146	984
Net position, beginning of year, as previously reported	23,487	22,950
Prior period adjustment-net pension liability related	0	(447)
Net position, beginning of year, as restated	23,487	22,503
Net position, end of year	\$ 24,633	\$ 23,487

The accompanying notes are an integral part of these financial statements

Maryland Health and Higher Educational Facilities Authority
 Statements of Cash Flows
 For the years ended June 30, 2016 and June 30, 2015
 (in thousands of dollars)

	2016	2015
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Cash received from administrative and other fees	\$ 2,778	\$ 2,726
Cash payments to employees and employee benefits	(1,021)	(1,011)
Cash payments to suppliers for goods and services	(831)	(911)
Net cash provided by operating activities	926	804
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(5)	(8)
Net cash used in capital and financing activities	(5)	(8)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	236	153
Purchases of investments	(52,454)	(27,762)
Sales and maturities of investments	53,010	26,822
Net cash provided by/(used in) investing activities	792	(787)
Net increase in cash and cash equivalents	1,713	9
Cash and cash equivalents, beginning of year	661	652
Cash and cash equivalents, end of year	\$ 2,374	\$ 661
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 900	\$ 791
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Pension Related - proportionate share of state expense	66	56
Pension Related - actual cash contribution paid	(49)	(58)
Depreciation	18	18
Administrative fees receivable	(7)	(6)
Prepaid pension and other prepayments	(7)	13
Accounts payable and accrued expenses	5	(10)
Net cash provided by operating activities	\$ 926	\$ 804

The accompanying notes are an integral part of these financial statements

NOTE 1: ORGANIZATION AND ACCOUNTING POLICIES

Organization

The Maryland Health and Higher Educational Facilities Authority (the "Authority") was established to assist non-profit educational institutions, hospitals and related healthcare institutions in the financing and refinancing of projects authorized by the Authority's enabling legislation. Income of the Authority is derived from fees from institutions and projects that have had financing provided by the Authority. Neither the State of Maryland, nor any subdivision thereof, nor the Authority shall be obligated to pay principal or interest on bonds and notes issued by the Authority except from payments from participating institutions and revenues of the related projects. Neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof nor of the Authority is pledged to the payment of the principal or interest on bonds and notes outstanding. The Authority is exempt from federal and state income taxes. The Authority has no taxing power.

Accounting Policies

Reporting Entity – The Authority's reporting entity has been defined in accordance with Governmental Accounting Standards Board ("GASB") Statement 34. The financial statements include all operations for which the Authority is financially accountable.

Basis of Presentation, Revenue and Expense Recognition – The Authority follows GASB guidance for proprietary fund accounting and financial reporting. As such, the accompanying financial statements are prepared on the accrual basis of accounting where revenues are recognized when earned and expenses are recorded when incurred. The Authority reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board (GASB).

Cash and Cash Equivalents – Cash and cash equivalents consist of short term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash and cash equivalents are carried at cost which approximates fair value.

Investments – Investments are reported at fair value with net unrealized gains and losses reported as non-operating revenue in the statement of revenues, expenses and changes in net position. Fair values of investment securities are determined according to prices as furnished by an independent pricing service, except that fixed income securities with remaining maturities of less than 60 days at the time of purchase (e.g. Money Market Fund) are valued at amortized cost provided such amount approximates fair value. Interest income is accrued on coupon securities from the last coupon date or purchase date and for securities (e.g., U.S. Treasury Bills) on the effective yield method. Realized gains and losses are recorded on the specific identification method and are computed as the difference between the proceeds of the sale and the original cost of the investments sold. Investments are purchased to mature based

Maryland Health and Higher Educational Facilities Authority
Notes to Financial Statements
June 30, 2016 and June 30, 2015

on cash flow needs; however, investments may be liquidated in the event there are unanticipated cash flow requirements.

Net Position – Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. For external reporting purposes, net position is classified in the following categories:

Invested in capital assets, net of related debt – capital assets, net of accumulated depreciation. There is no outstanding debt attributable to the acquisition, construction or improvement of the assets.

Unrestricted net position – net position that is not subjected to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority or may otherwise be limited by contractual agreements with outside parties. The Authority's unrestricted net position includes an internal designation for operating expenses, maintained at two times the annual operating expenses of the Authority. At June 30, 2016 and June 30, 2015 the designation was \$3,770,000 and \$3,884,000, respectively. The Authority has also designated a portion of net position to fund presently unidentified contingencies which is subject to a limitation equal to 1% of the total bonds outstanding. At June 30, 2016 and June 30, 2015, the designated amount was \$20,840,000 and \$19,566,000, respectively. These amounts do not exceed the limitations for June 30, 2016 and June 30, 2015 which were \$86,640,240 and \$87,795,328, respectively.

Invested in Capital Assets – Capital assets are recorded at cost and defined as assets with an individual cost of \$1,000 or more and an estimated useful life of more than one year. Depreciation is calculated on a straight line basis over the asset's estimated useful life.

Estimated useful lives are as follows:

- | | |
|-------------------------------------|---------------|
| • Furniture, fixtures and equipment | 5 to 10 years |
| • Computer equipment and software | 3 to 5 years |
| • Office equipment | 5 to 10 years |
| • Leasehold improvements | 4 to 7 years |

Compensated Absences – Vacation benefits are earned by employees of the Authority based on time in service. The rights to such vacation benefits are vested and recorded as a liability for amounts due to employees for future absences. Sick leave is also earned and accumulated by employees. However, sick leave does not vest and is not paid unless sickness causes the employee to be absent.

Office Rent – Office rent is recognized on a straight-line method under which contractual rent increases are recognized over the lease term. Office rent recorded on the straight-line method in excess of the rents billed is recognized as deferred rent payable and is included in accrued rent on the balance sheets.

Maryland Health and Higher Educational Facilities Authority
Notes to Financial Statements
June 30, 2016 and June 30, 2015

Use of Estimates – The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Accounting and Financial Reporting for Pensions – For purposes of measuring the Authority’s net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions, the Authority relies on information provided by the Maryland State Retirement and Pension System as to the Authority’s proportionate share. Refer to Note 6.

NOTE 2: FAIR VALUE MEASUREMENTS

Fair Value - The Authority has adopted GASB Statement No. 72 – Fair Value Measurement and Application. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value:

- Level 1 – quoted market prices in active markets
- Level 2 – inputs other than quoted market prices that are observable either directly or indirectly
- Level 3 – unobservable inputs

The Authority has investments in securities that are measured at fair value on a recurring basis in the financial statements. The Authority uses a three level hierarchy for determining fair value and a financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The fair value of these financial assets was determined using Level 2 inputs (inputs other than quoted market prices that are observable either directly or indirectly) as of June 30, 2016 and June 30, 2015. The following tables present the financial assets that the Authority measured at fair value (in thousands of dollars).

June 30, 2016	Level 1	Level 2	Level 3	Total
Obligations of U.S. government agencies and instrumentalities	\$ 0	\$20,268	\$0	\$20,268
Money market fund	2,597	0	0	2,597
Total	\$2,597	\$20,268	\$0	\$22,865

June 30, 2015	Level 1	Level 2	Level 3	Total
Obligations of U.S. government agencies and instrumentalities	\$ 0	\$22,919	\$0	\$22,919
Money market fund	462	0	0	462
Total	\$462	\$22,919	\$0	\$23,381

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NOTE 3: INVESTMENTS

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, the Authority’s Investment Policy requires that the maturities of the investment portfolio be scheduled to meet the cash requirements for ongoing operations.

As of June 30, 2016 and June 30, 2015, the amortized cost and fair value of investments were as follows (in thousands of dollars):

June 30, 2016	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Obligations of U.S. government agencies and instrumentalities	\$20,239	\$29	\$0	\$20,268
Money market fund	2,597	0	0	2,597
Total	\$22,836	\$29	\$0	\$22,865

June 30, 2015	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Obligations of U.S. government agencies and instrumentalities	\$22,922	\$19	\$(22)	\$22,919
Money market fund	462	0	0	462
Total	\$23,384	\$19	\$(22)	\$23,381

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The amortized cost and fair value of investments at June 30, 2016 and June 30, 2015, by contractual maturity, are shown below (in thousands of dollars). Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without penalties.

June 30, 2016	AMORTIZED COST	FAIR VALUE
Due in one year or less	\$6,579	\$6,584
Due after one year through five years	16,257	16,281
Due after five years through ten years	0	0
Due after ten years	0	0
	\$22,836	\$22,865

June 30, 2015	AMORTIZED COST	FAIR VALUE
Due in one year or less	\$ 5,434	\$ 5,435
Due after one year through five years	17,950	17,946
Due after five years through ten years	0	0
Due after ten years	0	0
	\$23,384	\$23,381

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank or other counterparty failure, the Authority will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2016 and June 30, 2015, the Authority’s investments were not subject to custodial credit risk under GASB Statement No. 40. The Authority’s investments are held under a safekeeping agreement, kept separate from the assets of the bank and from other trust accounts and are held in the Authority’s name.

Credit Risk and Concentration of Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority’s investment policy is to invest in a manner which will provide the highest return with the maximum security while meeting cash flow needs. Permissible investments currently utilized include U.S. Treasury obligations; obligations of federal agencies and instrumentalities; repurchase agreements for U.S. Treasury obligations and obligations of federal agencies and instrumentalities; and money market funds operated in accordance with Rule 2a-7 of the Investment Company Act of 1940 and rated in the highest rating category of a nationally recognized statistical rating organization.

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As of June 30, 2016 and June 30, 2015, the allocations by type of investment were as follows (in thousands of dollars):

<i>June 30, 2016</i>	<i>Fair Value</i>	<i>Percentage of Total</i>
Obligation of U.S. Government Agencies:		
Federal Farm Credit Banks	\$7,844	34.31%
Federal Home Loan Mortgage Corporation	6,429	28.11
Federal Home Loan Banks	4,792	20.96
Federal National Mortgage Association	1,203	5.26
Money Market Fund:		
Federated U.S. Government Money Market Fund	2,597	11.36
Total	\$22,865	100.00%

<i>June 30, 2015</i>	<i>Fair Value</i>	<i>Percentage of Total</i>
Obligation of U.S. Government Agencies:		
Federal Farm Credit Banks	\$10,345	44.25%
Federal Home Loan Mortgage Corporation	7,160	30.62
Federal National Mortgage Association	2,737	11.71
Federal Home Loan Banks	2,677	11.44
Money Market Fund:		
Wilmington Trust U.S. Government Money Market Fund	462	1.98
Total	\$23,381	100.00%

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As of June 30, 2016 and June 30, 2015, the credit ratings by type of investment were identical, as follows:

<i>Asset</i>	<i>Rating</i>	<i>Rating Agency</i>
Obligations of U.S. Government Agencies:		
Federal Farm Credit Banks	Aaa	Moody's
Federal Home Loan Mortgage Corporation	Aaa	Moody's
Federal Home Loan Banks	Aaa	Moody's
Federal National Mortgage Association	Aaa	Moody's
Money Market:		
Federated U.S. Government Money Market Fund	AAAm	S&P

NOTE 4: COMMITMENTS AND CONTINGENCIES

The Authority has a lease commitment for office space through July 31, 2020. The minimum rental commitment for office space over the next five fiscal years is as follows:

2017	\$101,483
2018	105,025
2019	108,567
2020	111,017
2021	9,251
Total	\$435,343

For the years ended June 30, 2016 and 2015, rental payments required under the terms of the lease totaled \$98,063 and \$94,736, respectively.

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NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 and June 30, 2015 consisted of the following (in thousands of dollars):

	<u>2016</u>	<u>2015</u>
Capital assets beginning of year	\$216	\$210
Additions	5	8
Retirements	(2)	(2)
Capital assets end of year	219	216
Accumulated depreciation end of year	(196)	(179)
Capital assets net of depreciation end of year	<u>\$ 23</u>	<u>\$ 37</u>

The Authority recognized \$18,488 and \$18,448 of depreciation expense during fiscal years 2016 and 2015, respectively.

NOTE 6: PENSION PLAN

Summary

The Authority adopted GASB No. 68 – Accounting and Financial Reporting for Pensions (“GASB 68”) during the year ended June 30, 2015. The Authority participates in the Maryland State Retirement and Pension System, (the “System”) and qualifies as a Participating Governmental Unit (“PGU”). The State Retirement Agency (the “Agency”) is the Plan administrator and fiduciary. GASB No. 68 requires that a PGU recognize its proportionate share of the System’s net pension liability (i.e. unfunded pension liability) and pension expense. The Authority’s proportionate share is based total System contributions and approximates 0.0028% and 0.0026% as of the measurement dates of June 30, 2015 and 2014, respectively.

The Authority also adopted GASB No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB No. 68 for the year ended June 30, 2015. GASB No. 71, which is only applicable during the year GASB No. 68 was adopted, requires that contributions to the pension plan subsequent to the beginning measurement date be recognized as the beginning deferred outflow of resources. The Authority’s fiscal 2015 contribution in December 2014 of \$58,294 was therefore recognized as the beginning pension related deferred outflow of resources.

The Authority's employees participate in the System and contributed 7 percent of their compensation during fiscal years 2015 and 2016 as stipulated by the System. The Authority contributed \$49,191 and \$58,294 to the System for fiscal years 2015 and 2016, respectively, which was actuarially determined based on statutory provisions. The Authority has also recognized in Pension Expense its proportionate share of the System’s deferred inflows of resources (an increase in Pension Expense) attributable to the net difference between

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projected and actual investment earnings on pension plan assets and its proportionate share of the System's deferred outflows of resources (a decrease in Pension Expense) attributable to changes in assumptions.

Basis of presentation and basis of accounting

1. Employers participating in the System's cost-sharing multiple-employer defined benefit plans are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) provide employers with the required information for financial reporting. The System's financial statements are prepared on the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.
2. Actual employer contributions billed to participating government units for the years ending June 30, 2015 and 2014, were used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the related Schedule of Employer Allocations. The contributions were adjusted by increasing contributions by approximately \$251 million and \$598 million, respectively, to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland.
3. The components of the calculation of the net pension liability for the system as of the measurement dates of June 30, 2015 and 2014, calculated in accordance with GASB Statement No. 67, are shown in the following table:

(Expressed in millions)

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total Pension Liability	\$66,571.6	\$63,086.7
Less: Plan Fiduciary Net Position	<u>45,789.8</u>	<u>45,340.0</u>
Net Pension Liability	<u>\$20,781.8</u>	<u>\$17,746.7</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 <u>68.78%</u>	 <u>71.87%</u>

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Actuarial Assumptions

Assumption	2015	2014
Actuarial	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Asset Valuation Method	5-year Smoothed Market; 20% Collar	5-year Smoothed Market; 20% Collar
Inflation	2.95% General; 3.45% Wages	2.9% General; 3.4% Wages
Discount Rate	7.55%	7.65%
Investment Rate of Return	7.55%	7.65%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006-2010.
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience.	RP-2000 Combined Health Mortality Table projected to the year 2025.
Note:	There were no benefit changes during the year. Adjustments to the roll-forward liabilities were made to reflect the change in the Investment Return assumption from 7.65% to 7.55%.	There were no benefit changes during the year. Adjustments to the roll-forward liabilities were made to reflect: the change in the Investment Return assumption from 7.70% to 7.65%; and the change in the Inflation assumption from 2.95% to 2.90%.

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return

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were adopted by the Pension system’s Board after considering input from the investment consultant(s) and actuary(s). For each major asset class that is included in the Pension System’s target asset allocation, these best estimates are summarized in the following table:

Asset Class	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	Target Allocations	Long-Term Expected Real Rate of Return	Target Allocations	Long-Term Expected Real Rate of Return
Public Equity	35%	6.30%	35%	4.70%
Fixed Income	10%	0.60%	10%	2.00%
Credit Opportunity	10%	3.20%	10%	3.00%
Real Return	14%	1.80%	14%	2.80%
Absolute Return	10%	4.20%	10%	5.00%
Private Equity	10%	7.20%	10%	6.30%
Real Estate	10%	4.40%	10%	4.50%
Cash	1%	0.00%	1%	1.40%
Total	100%		100%	

The above was the Pension System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2015 and 2014, respectively.

Discount Rate

A single discount rate of 7.55% and 7.65% was used to measure the total pension liability as of June 30, 2015 and 2014, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 7.55% and 7.65%, respectively. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the System’s net pension liability and the Authority’s proportionate share of the System’s net pension liability (expressed in thousands), calculated using a single discount rate of 7.55% and 7.65%, a single discount rate that is 1-percentage point lower (i.e. 6.55%

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and 6.65%) and a single discount rate that is 1-percentage point higher (i.e. 8.55% and 8.65%):

2015	1% Lower – 6.55%	Current Rate – 7.55%	1% Higher – 8.55%
The System’s Net Pension Liability	\$29,371,763	\$20,781,713	\$13,658,848
The Authority’s Proportionate Share of Net Pension Liability	\$813	\$575	\$378

2014	1% Lower – 6.65%	Current Rate – 7.65%	1% Higher – 8.65%
The System’s Net Pension Liability	\$25,575,273	\$17,746,731	\$11,189,338
The Authority’s Proportionate Share of Net Pension Liability	\$663	\$460	\$290

Pension Plan Description

Organization

The State Retirement Agency (the “Agency”) is the administrator of the System. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System’s administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the “State Pool” and the “Municipal Pool”. The “State Pool” consists of the State agencies, boards of education, community colleges, and libraries. The “Municipal Pool” consists of the participating governmental units that elected to join the System. Neither pool shares in each other’s actuarial liabilities, thus participating governmental units that elect to join the System (the “Municipal Pool”) share in the liabilities of the Municipal Pool only. The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The Agency is legally authorized to use all assets accumulated for the payment of benefits to pay such obligations to any plan member or beneficiary as defined by the terms of the plan. Consequently, the System is accounted for as a single plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, “Financial Reporting for Pension Plans - An Amendment of GASB Statement No.25.” Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget.

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Accordingly, the System is included in the State's reporting entity and disclosed in its financial statements as a pension trust fund. The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement System, Judges' Retirement System, and the Law Enforcement Officers' Pension System. The Authority's employees participate in the Employees' Retirement and Pension System.

Covered Members

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension System was established. As a result, State employees (other than correctional officers) and employees of participating governmental units hired after December 31, 1979, became members of the Employees' Pension System as a condition of employment, while all State correctional officers and members of the Maryland General Assembly continue to be enrolled as members of the Employees' Retirement System. On or after January 1, 2005, an individual who is a member of the Employees' Retirement System may not transfer membership to the Employees' Pension System. Currently, more than 150 governmental units participate in the Employees' Retirement System.

Summary of Significant Plan Provisions

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. For all individuals who are members of the System on or before June 30, 2011, pension allowances are computed using both the highest three consecutive years' Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For any individual who becomes a member of one of the pension systems on or after July 1, 2011, pension allowances are computed using both the highest five consecutive years' AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors. Beginning July 1, 2011, the member contribution rate was increased for members of the Employees' Pension System from 5% to 7%, and from 4% to 6% respectively, in fiscal year 2013. In addition, the benefit attributable to service on or after July 1, 2011 in many of the pension systems now will be subject to different cost-of-living adjustments (COLA) that is based on the increase in the Consumer Price Index (CPI) and capped at 2.5% or 1.0% based on whether the market value investment return for the preceding calendar year was higher or lower than the investment return assumption used in the valuation. A brief summary of the retirement eligibility requirements of and the benefits available under the various systems in effect during fiscal years 2016 and 2015, are as follows:

Service Retirement Allowances

A member of the Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals $1/55$ (1.81%) of the member's AFC multiplied by the number of years of accumulated creditable service. An individual who is a member of the Employees' Pension System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of the Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service. For most individuals who retired from the Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Employees' Pension System. Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for these members equals 0.8% of the member's AFC up to the social security integration level (SSIL), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from service.

Vested Allowances

Any individual who is a member of the State Retirement and Pension System on or before June 30, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 5 years of eligibility service is eligible for a vested retirement allowance. Any individual who joins the State Retirement and Pension System on or after July 1, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 10 years of eligibility service is eligible for a vested retirement allowance.

A member, who terminates employment prior to attaining retirement age and before vesting, receives a refund of all member contributions and interest.

Early Service Retirement

A member of the Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of creditable service, whichever is less. The maximum reduction for an Employees' Retirement System member is 30%. An individual who is a member of the Employees' Pension System on or before June 30, 2011, may retire with reduced benefits upon attaining age 55 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Employees' Pension System is 42%. An individual who becomes a member of the Employees' Pension System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Employees' Pension System is 30%.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. A member (other than a member of the Maryland General Assembly or a judge, both of which are ineligible for accidental disability benefits) who is permanently and totally disabled as the result of an accident occurring in the line of duty receives 2/3 (66.7%) of the member's AFC plus an annuity based on all member contributions and interest. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

Adjusted Retirement Allowances (as applicable)

Retirement and pension allowances are increased annually to provide for changes in the cost of living according to prescribed formulae. Such adjustments for retirees are based on the annual change in the CPI. For the Teachers' and Employees' Retirement Systems (TRS/ERS) the method by which the annual COLA's are computed depends upon elections made by members who were active on July 1, 1984 (or within 90 days of returning to service, for members who were inactive on July 1, 1984) enabling the member to receive either an unlimited COLA, a COLA limited to 5% or a two part combination COLA depending upon the COLA election made by the member. With certain exceptions, effective July 1, 1998, for Teachers', Employees', and Law

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Enforcement Officers' Pension System retirees, the adjustment is capped at a maximum 3% compounded and is applied to all benefits which have been in payment for one year. The annual increases to pension allowances for Employees' Pension System retirees who were employed by a participating governmental unit that does not provide enhanced pension benefits are limited to 3% of the initial allowance. However, beginning July 1, 2011, for benefits attributable to service earned on or after July 1, 2011, in all of the systems except the judges' and legislators' systems, the adjustment is capped at the lesser of 2.5% or the increase in CPI if the most recent calendar year market value rate of return was greater than or equal to the assumed rate. The adjustment is capped at the lesser of 1% or the increase in CPI if the market value return was less than the assumed rate of return. In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016 and 2015, the Authority reported a liability of \$574,755 and \$460,117, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2015 and 2014, the Authority's proportion was approximately 0.0028% and 0.0026%, respectively.

For the years ended June 30, 2016 and 2015, the Authority recognized pension expense of \$66,489 and \$56,962, respectively. At the measurement dates of June 30, 2015 and 2014, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Measurement Date of June 30, 2015	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 33,763	\$ 0
Difference between actual and expected experience	0	11,770
Net difference between projected and actual earnings on pension plan investments	50,624	37,772
Change in Proportion	27,891	0
Contributions subsequent to the measurement date	49,191	0
Total	\$ 161,469	\$ 49,542

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Measurement Date of June 30, 2014	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 6,656	\$ 0
Net difference between projected and actual earnings on pension plan investments	0	50,363
Contributions subsequent to the measurement date	58,294	0
Total	\$ 64,950	\$ 50,363

The deferred outflows of resources of \$49,191 and \$58,294 relating to contributions subsequent to the measurement dates of June 30, 2015 and 2014, respectively, will be recognized as a reduction of the Authority's net pension liability during the fiscal years ended June 30, 2017 and 2016, respectively. The deferred outflows and inflows of resources due to changes in assumptions, differences between actual and expected experience, change in proportion, and differences between projected and actual investment earnings represent the Authority's proportionate share of the unamortized portions of the System's original amounts. The deferred inflows and outflows related to non-investment activity are being amortized over the remaining service life of 5.87 years. The 2014 deferred outflows not related to investment activity are being amortized over the remaining service life of 5 years. The net difference in investment earnings for both 2015 and 2014 are being amortized over a closed 5 year period. These unamortized amounts will be ratably recognized in pension expense over these service lives and closed 5 year period.

The following table shows the amortization of these deferred outflows and inflows:

Fiscal Year Ended June 30	Amortization of 2015 Balance				Amortization of 2014 Balance	
	Deferred Outflows-Net Difference in Investment Earnings	Deferred Outflows-Change in Assumptions	Deferred Outflows-Change in Proportion	Deferred Inflows-Actual vs Expected Experience	Deferred Outflows-Change in Assumptions	Deferred Inflows-Net Difference in Investment Earnings
2017	\$12,656	\$5,908	\$5,727	\$2,417	\$1,664	\$12,591
2018	\$12,656	\$5,908	\$5,727	\$2,417	\$1,664	\$12,591
2019	\$12,656	\$5,908	\$5,727	\$2,417	\$1,664	\$12,591
2020	\$12,656	\$5,908	\$5,727	\$2,417		
2021		\$5,140	\$4,983	\$2,103		

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Net Pension Liability

The components of the Authority's proportionate share of the Pension System's net pension liability as of the measurement dates of June 30, 2015 and 2014 were as follows (expressed in thousands):

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total Pension Liability	\$1,841	\$1,636
Less: Plan Fiduciary Net Position	<u>1,266</u>	<u>1,176</u>
Net Pension Liability	<u>\$ 575</u>	<u>\$ 460</u>
Plan fiduciary net position as a percentage of total pension liability	68.78%	71.87%

The Pension Plan Fiduciary

Plan Information as well as the Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the years ended June 30, 2015 and 2014 are available from:

State Retirement & Pension System of Maryland
120 East Baltimore Street
Baltimore, MD 21202

www.sra.state.md.us

-General Interest

-Related Links

-Downloads

-Comprehensive Annual Financial Reports

NOTE 7: CONDUIT DEBT

The Authority issues indebtedness on behalf of participating institutions. This indebtedness is generally in the form of bonds, notes or financing leases. Funds related to these financings are held in trust by various financial institutions. In general, bonds mature serially in varying annual installments. Certain issues include term bonds payable from annual sinking fund requirements. Notes generally consist of commercial paper that is expected to be paid with proceeds of refunding obligations. The lease and loan payments receivable by the Authority from the institutions correspond to the amortization of the respective bond and note issues. Under the Authority's capital lease financings, institutions may borrow funds to finance equipment and other purchases. Funds disbursed to participating institutions are repayable by the individual institutions and may be collateralized by security interests in the assets financed. The Authority may hold legal title to or a mortgage on the buildings and other assets financed by bonds for the benefit of institutions. Title to any buildings and other assets reverts to the institutions upon final payment of the respective bond issues or leases. Information pertaining to outstanding indebtedness is included in the additional information attached to these financial statements. The Authority is not obligated to pay principal or interest on bonds and notes

Maryland Health and Higher Educational Facilities Authority
Notes to Financial Statements
June 30, 2016 and June 30, 2015

issued by the Authority except from payments from participating institutions or revenues of the related projects.

The following is a summary of conduit debt activity for the years ended June 30, 2016 and June 30, 2015 (in thousands of dollars):

	<u>2016</u>	<u>2015</u>
Bonds outstanding at beginning of the fiscal year	\$8,779,533	\$8,837,199
Plus: Bonds issued during fiscal year	969,965	1,337,768
Less: Redemptions and refundings during fiscal year	(1,085,474)	(1,395,434)
Bonds outstanding as of June 30, 2016 and June 30, 2015	<u>\$8,664,024</u>	<u>\$8,779,533</u>

NOTE 8: SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through September 13, 2016 (the date the financial statements are available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Additional Information – Schedules of Required Pension Related Supplementary Information

Schedule of the Authority’s Proportionate Share of the Net Pension Liability

	FY 2016	FY 2015
Authority’s proportion (%) of collective net pension liability	0.0028%	0.0026%
Authority’s proportionate share (\$) of collective net pension liability	\$574,755	\$460,117
Authority’s covered-employee payroll (\$)	\$779,710	\$780,688
Authority’s proportionate share of collective net pension liability as a percentage of its covered-employee payroll	73.7%	58.9%
Pension plan’s fiduciary net position as a percentage of the total pension liability	68.78%	71.87%

The above schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

**Schedule of the Authority’s Pension Plan Contributions
Last 10 Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	49,191	58,294	60,419	55,384	65,295	75,807	40,291	33,864	41,028	34,921
Contributions in relation to the contractually required contribution	<u>49,191</u>	<u>58,294</u>	<u>60,419</u>	<u>55,384</u>	<u>65,295</u>	<u>75,807</u>	<u>40,291</u>	<u>33,864</u>	<u>41,028</u>	<u>34,921</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's Covered Payroll	779,710	780,688	761,281	782,479	727,084	825,270	702,045	626,475	599,435	568,950
Contributions as a percentage of covered-employee payroll	6.31%	7.47%	7.94%	7.08%	8.98%	9.19%	5.74%	5.41%	6.84%	6.14%

Additional Information – Funds Held by Third Party Trustees and Escrow Agents

The Authority is including the following additional information relating to funds held by third party trustees and escrow agents.

Trustees are appointed under the terms of the financing documents. Trustee responsibilities include, but are not limited to: creation of funds to be held for bonds, disbursements of bond proceeds, deposit of payments received from institutions, and payment of principal and interest.

The Authority maintains books of accounts for the Debt Principal Funds and the required Trusteed Funds of each of the issues of bonds and notes outstanding. Trusteed Funds are maintained by third party trustees or other fiscal agents in accordance with the requirements of the respective bond and note issue documents. The financial statements included in the additional information combine the Trusteed accounts of all bond, note and lease issues outstanding during the year. Interfund activity is eliminated in combination.

The following is a description of the funds which relate to trusteed conduit debt:

Construction Funds – Account for the receipt and disbursement of monies held to pay for project costs, including construction and equipment purchases of participating institutions. All Construction, Cost of Issuance, Capitalized Interest and Additional Facilities Accounts are included as Construction Funds.

Program Funds – Account for the receipt and disbursement of monies specified as Program Funds in the Pooled Loan Program Series 1985A & B documents.

Debt Service Funds – Account for the receipt and disbursement of monies for the payment of interest and principal on bonds and notes.

Debt Service Reserve Funds – Account for the receipt and disbursement of monies held in reserve in compliance with certain bond resolutions and indentures. The fund balances are generally required to be maintained at amounts established under the resolution or indenture.

Project Reserve Funds – Account for the receipt and disbursement of monies held in reserve for improvements, major repairs, operations and arbitrage/rebate. The fund balances are established by the bond indentures and resolutions of certain issues. All Renewal and Replacement and Arbitrage Rebate Funds are included as Project Reserve Funds.

Redemption Funds – Account for the accumulation of monies not required by other funds for the eventual redemption or repurchase of bonds.

Maryland Health and Higher Educational Facilities Authority
 Additional Information - Combined Balance Sheets of Trusteed Conduit Debt Funds
 June 30, 2016
 (in thousands of dollars)

	Construction Funds	Program Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$1,473.2	\$0.0
Investments at fair value	87,002.9	61,202.6
Interest receivable	101.4	64.0
Due from other funds	0.0	103.9
Due from institutions	0.0	0.0
Total assets	<u>\$88,577.5</u>	<u>\$61,370.5</u>
Liabilities and net position		
Liabilities:		
Accounts payable and accrued expenses	0.0	0.0
Principal payable	0.0	0.0
Interest payable	0.0	0.0
Due to other funds	0.0	103.9
Total liabilities	<u>\$0.0</u>	<u>\$103.9</u>
Restricted net position:		
Reserved for debt service	0	0
Reserved for loans under pooled loan program	0	61,266.6
Designated for specific projects	0	0
Designated for operations	88,577.5	0
Total net position	<u>88,577.5</u>	<u>61,266.6</u>
Total liabilities and net position	<u>\$88,577.5</u>	<u>\$61,370.5</u>

Debt Service Funds	Debt Service Reserve Funds	Project Reserve Funds	Redemption Funds	Total
\$84,460.2	\$13.2	\$0.0	\$0.0	\$85,946.6
183,194.6	100,343.5	124.2	6,211.8	438,079.6
28.2	170.0	0.0	0.4	364.0
62.2	0.0	0.0	0.0	166.1
29,343.1	0.0	0.0	0.0	29,343.1
\$297,088.3	\$100,526.7	\$124.2	\$6,212.2	\$553,899.4

175.7	0.0	0.0	0.0	175.7
141,916.6	0.0	0.0	0.0	141,916.6
94,343.1	0.0	0.0	0.0	94,343.1
62.2	0.0	0.0	0.0	166.1
\$236,497.6	\$0.0	\$0.0	\$0.0	\$236,601.5

60,590.7	100,526.7	0	0	161,117.40
0	0	0	0	61,266.60
0	0	0	0	0
0	0	124.2	6,212.2	94,913.9
60,590.7	100,526.7	124.2	6,212.2	317,297.9
\$297,088.3	\$100,526.7	\$124.2	\$6,212.2	\$553,899.4

Maryland Health and Higher Educational Facilities Authority
 Additional Information - Combined Statements of Changes in Net Position
 of Trusteed Conduit Debt Funds
 For the year ended June 30, 2016
 (in thousands of dollars)

	Construction Funds	Program Funds
ADDITIONS		
Proceeds from sale of bonds and notes:		
Gross proceeds	\$938,906.2	\$0.0
Underwriters discount	(1,931.5)	0.0
Original issuance - discount	(1,482.2)	0.0
Original issuance - premium	37,631.9	0.0
Payments, contributions, equity contributions	98.5	0.0
Lease and loan payments	0.0	0.0
Debt service interest	0.0	0.0
Sale of real property	1,810.3	0.0
Change in unrealized gain or loss on investments	80.6	(12.5)
Income from investments	391.5	379.9
Transfer from escrow agent	0.1	0.0
Total Additions	\$975,505.4	\$367.4
DEDUCTIONS		
Project and financing costs	218,555.3	0.0
Loans to institutions	0.0	50,836.8
Debt service:		
Principal	0.0	0.0
Interest	0.0	0.0
Required payments to institutions	0.0	0.0
Retirement of bonds	0.0	0.0
Transfer to escrow deposit agents for defeased issues	498,412.1	0.0
Transfer to other issuer	0.0	0.0
Total Deductions	\$716,967.4	\$50,836.8
Net interfund transfers in/(out)	(289,722.2)	7,105.9
Beginning of year net position	119,761.7	104,630.1
Ending net position	\$88,577.5	\$61,266.6

Debt Service Funds	Debt Service Reserve Funds	Project Reserve Funds	Redemption Funds	Total
\$0.0	\$3,714.4	\$0.0	\$0.0	\$942,620.6
(1,190.3)	0.0	0.0	0.0	(3,121.8)
0.0	0.0	0.0	0.0	(1,482.2)
0.0	0.0	0.0	0.0	37,631.9
1,439.0	0.0	50.0	0.0	1,587.5
216,621.0	0.0	0.0	0.0	216,621.0
304,081.0	0.0	0.0	44.6	304,125.6
0.0	0.0	0.0	0.0	1,810.3
9.8	143.3	0.0	0.6	221.8
390.1	932.8	0.2	1.0	2,095.5
0.0	0.0	0.0	0.0	0.1
\$521,350.6	\$4,790.5	\$50.2	\$46.2	\$1,502,110.3
877.0	0.0	0.0	0.0	219,432.3
0.0	0.0	0.0	0.0	50,836.8
200,676.5	0.0	0.0	0.0	200,676.5
311,803.7	0.0	0.0	44.6	311,848.3
81.8	0.0	0.0	0.0	81.8
319,777.8	0.0	0.0	50,295.0	370,072.8
5,724.1	18,379.8	0.0	0.0	522,516.0
510.7	0.0	0.0	0.0	510.7
\$839,451.6	\$18,379.8	\$0.0	\$50,339.6	\$1,675,975.2
247,986.7	(21,875.9)	(0.1)	56,505.6	0.0
130,705.0	135,991.9	74.1	0.0	491,162.8
\$60,590.7	\$100,526.7	\$124.2	\$6,212.2	\$317,297.9

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):

	ISSUE DATE	AMOUNT ISSUED	FINAL MATURITY	BONDS AND NOTES PAYABLE JULY 1, 2016	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016
PUBLIC OFFERINGS					
Pooled Loan Program, Series 1985A & B	December 30, 1985	\$ 175,000	2035	\$ -	\$ 175,000
The Johns Hopkins Hospital, Series 1990	June 7, 1990	90,169	2019	9,368	24,348
University of Maryland Medical System 1991	July 10, 1991	38,670	2022	1,615	20,225
The Johns Hopkins Medical Institutions Parking, Series 1996	March 28, 1996	42,425	2026	1,805	24,510
Stella Maris, Series 1997	June 30, 1997	21,985	2021	1,280	7,435
Medlantic/Helix, Series 1998A	December 17, 1998	166,605	2038	-	82,055
Medlantic/Helix, Series 1998B	December 17, 1998	116,910	2038	-	56,960
Glen Meadows Retirement Community, Series 1998A & B	August 26, 1999	20,410	2029	650	13,855
Mercy Ridge, Series 2000	March 30, 2000	69,305	2031	-	20,800
The Johns Hopkins Medical Institutions Parking Facilities, Series 2001	August 29, 2001	28,030	2034	735	21,405
The Johns Hopkins Medical Institutions Parking Facilities, Series 2004	May 26, 2004	35,665	2034	125	34,460
Suburban Hospital, Series 2004	June 3, 2004	32,445	2029	3,310	-
The Johns Hopkins Medical Institutions Parking Facilities, Series 2004B	December 1, 2004	33,035	2038	-	23,655
The Johns Hopkins University, Series 2005A	March 3, 2005	69,265	2036	-	69,265
The Johns Hopkins Medical Institutions Utilities, Series 2005A & B	June 29, 2005	48,845	2037	-	24,300
University of Maryland Medical System, Series 2005	October 5, 2005	149,700	2031	3,300	116,375
Adventist HealthCare, Series 2005A	December 20, 2005	78,000	2035	-	78,000
Maryland Institute College of Art, Series 2006	January 5, 2006	30,740	2040	-	30,740
Edenwald, Series 2006A	July 6, 2006	55,365	2037	-	47,295
Carroll Hospital Center, Series 2006,	December 7, 2006	35,000	2040	35,000	-
King Farm Presbyterian Retirement Community, Series 2007A	January 11, 2007	54,590	2037	-	51,095
Mercy Ridge, Series 2007	March 22, 2007	23,445	2035	440	20,225
Maryland Institute College of Art, Series 2007	June 27, 2007	38,740	2042	-	35,005
Bishop McNamara High School, Series 2007	August 8, 2007	8,000	2032	245	5,960
University of Maryland Medical System, Series 2007A	September 12, 2007	96,445	2034	2,655	85,095
Gaudenzia Foundation, Series 2007	December 12, 2007	5,500	2028	195	3,335
LifeBridge Health, Series 2008	January 17, 2008	285,815	2047	3,450	234,140
Odenton Christian School, Series 2008	March 19, 2008	3,590	2033	-	3,535
University of Maryland Medical System, Series 2008D & E	May 21, 2008	105,000	2041	-	105,000
University of Maryland Medical System, Series 2008F	July 23, 2008	87,345	2023	5,945	40,415
The Johns Hopkins University, Series 2008A	August 7, 2008	129,880	2038	-	114,880
Anne Arundel Medical Center, Series 2009B	February 19, 2009	60,000	2043	-	60,000
University of Maryland Medical System, Series 2010	January 7, 2010	242,385	2039	5,985	203,690
Anne Arundel Health System, Series 2010	February 3, 2010	85,410	2040	1,595	74,835
Carnegie Institute of Washington, Series 2010	February 4, 2010	30,580	2040	-	30,580
Patterson Park Public Charter School, Series 2010A & B	March 16, 2010	13,665	2045	165	12,940
Doctors Community Hospital Issue, Series 2010	May 18, 2010	82,670	2038	-	68,690
Johns Hopkins Health System, Series 2010	June 16, 2010	148,195	2040	-	148,195
College of Notre Dame of Maryland, Series 2010	November 24, 2010	11,495	2035	-	10,465
Charlestown Community, Series 2010	December 15, 2010	124,995	2045	-	117,890
Mercy Medical Center, Series 2011	February 24, 2011	40,770	2031	190	37,225
LifeBridge Health, Series 2011	March 30, 2011	50,695	2041	880	46,585
Greater Baltimore Medical Center, Series 2011	April 20, 2011	67,945	2034	3,090	55,100
Adventist HealthCare, Series 2011A	September 1, 2011	57,205	2036	-	57,205
Johns Hopkins Health System, Series 2011A	November 10, 2011	74,615	2026	-	66,995
MedStar Health, Series 2011	November 17, 2011	94,920	2041	-	70,945
Greater Baltimore Medical Center, Series 2012A	April 11, 2012	35,680	2034	-	35,680
Mercy Medical Center, Series 2012	April 25, 2012	49,995	2031	-	49,995
Johns Hopkins Health System, Series 2012B	May 3, 2012	97,560	2033	3,175	85,000
Ascension Health Alliance, Series 2012B	May 10, 2012	86,025	2051	-	86,025
Carroll Hospital Center, Series 2012A	May 31, 2012	59,780	2037	1,515	53,670
Loyola University Maryland, Series 2012A	June 7, 2012	49,250	2039	-	46,355
The Johns Hopkins University, Series 2012A	June 14, 2012	153,150	2041	-	153,150
Notre Dame of Maryland University, Series 2012	June 25, 2012	21,195	2042	-	18,655
Johns Hopkins Health System, Series 2012C & D	August 9, 2012	169,670	2038	-	166,680
Goucher College, Series 2012A	August 30, 2012	19,945	2034	-	19,945
Maryland Institute College of Art, Series 2012	October 10, 2012	33,985	2047	-	32,085
Anne Arundel Health System, Series 2012	November 1, 2012	73,625	2034	2,465	64,915
Frederick Memorial Hospital, Series 2012A	December 5, 2012	96,240	2038	900	92,735
MedStar Health, Series 2013A	March 21, 2013	117,785	2041	-	117,785
University of Maryland Medical System, Series 2013A (Tax Exempt)	April 2, 2013	247,280	2043	3,450	231,795
University of Maryland Medical System, Series 2013B (Taxable)	April 2, 2013	115,055	2043	-	115,055
Johns Hopkins Health System, Series 2013A	May 9, 2013	88,250	2046	-	88,250
MedStar Health, Series 2013B	May 21, 2013	149,760	2038	-	149,760
Johns Hopkins Health System, Series 2013B	May 22, 2013	61,850	2029	-	55,190
The Johns Hopkins University, Series 2013B	June 20, 2013	99,625	2041	-	99,625
Calvert Health System, Series 2013	August 22, 2013	31,185	2038	220	30,660
Johns Hopkins Health System, Series 2013C	August 28, 2013	238,000	2043	-	235,075
City Neighbors Charter Schools, Series 2013A	December 19, 2013	10,745	2044	125	10,500
Loyola University Maryland Issue, Series 2014	October 30, 2014	60,365	2045	-	60,365
Western Maryland Health System, Series 2014	November 19, 2014	236,170	2034	11,230	222,040
Anne Arundel Health System, Series 2014	November 26, 2014	127,305	2039	2,140	120,440
Peninsula Regional Medical Center, Series 2015	February 5, 2015	126,665	2045	1,930	123,960
MedStar Health Issue, Series 2015	February 11, 2015	357,205	2045	-	357,205
Johns Hopkins Health System, Series 2015A	May 12, 2015	134,735	2040	-	132,815
Johns Hopkins Health System, Series 2015B	May 12, 2015	48,245	2048	-	48,245

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	ISSUE DATE	AMOUNT ISSUED	FINAL MATURITY	BONDS AND NOTES PAYABLE JULY 1, 2016	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016
The Johns Hopkins Medical Institutions Utilities, Series 2015	May 12, 2015	19,505	2036	-	19,505
University of Maryland Medical System, Series 2015	May 21, 2015	80,145	2041	1,275	77,735
Meritus Medical Center Issue, Series 2015	July 9, 2015	257,300	2045	3,930	253,370
Lifebridge Health Issue, Series 2015	July 30, 2015	159,685	2047	-	159,685
Edenwald, Series 2015	October 14, 2015	49,030	2037	-	49,030
Mercy Medical Center Issue, Series 2016A	March 2, 2016	135,250	2042	-	135,250
Public Offerings Outstanding		\$ 7,258,704		\$ 114,378	\$ 6,428,938
PRIVATE PLACEMENTS AND LIMITED OFFERINGS					
Pooled Loan Program, Series D (1994)	January 1, 1994	418,516	2039	685	18,380
Greater Baltimore Medical Center, Series 1995	October 11, 1995	10,000	2025	405	4,540
Capitol College, Series 1995	December 28, 1995	8,000	2020	250	2,350
The Johns Hopkins University, Commercial Paper, Series A	June 3, 2000	200,000	2033	-	76,769
The Johns Hopkins University, Commercial Paper, Series B	March 22, 2001	200,000	2034	-	60,400
Saint Anne's School 2001	November 8, 2001	4,300	2020	-	1,650
St. John's Episcopal Day School 2001	December 21, 2001	7,000	2032	14	4,777
The Johns Hopkins Health System, Commercial Paper, Series B	February 9, 2004	40,000	2024	5,875	57,995
Friends School of Baltimore, Series 2004	April 1, 2004	7,500	2029	26	5,206
Stone Ridge School, Series 2005	June 22, 2005	12,000	2035	304	9,470
Mt. Airy Christian Academy 2005	August 26, 2005	2,500	2031	4	1,028
Mercy Medical Center, Series 2006	August 3, 2006	35,000	2036	785	29,785
St. Mary's County Hospital Lease 2006	December 12, 2006	8,201	2016	-	55
Archdiocese of Baltimore Schools, Series 2007	June 21, 2007	24,165	2037	-	21,675
Keswick Multi-Care Center, Series 2007	August 9, 2007	11,520	2037	-	11,520
Mercy Medical Center, Series 2007B & C	November 8, 2007	30,000	2024	2,000	23,050
Beth Tfiloh Dahan Community School, Series 2007	December 18, 2007	15,000	2038	-	13,875
Mercy Medical Center, Series 2008	July 16, 2008	35,325	2022	2,635	17,625
The Boys' Latin School, Series 2009	August 26, 2009	19,830	2038	39	15,549
Roland Park Country School, Series 2009	October 7, 2009	17,400	2037	-	5,590
Bryn Mawr School, Series 2009	October 14, 2009	7,350	2037	294	6,044
The SEED School of Maryland, Series 2010	January 21, 2010	25,000	2037	175	22,125
Oldfields School, Series 2010	April 14, 2010	2,985	2019	-	2,985
Broadmead 2010	July 14, 2010	12,000	2035	945	6,663
Baltimore Leadership School 2010	August 11, 2010	4,000	2020	34	1,932
Park School 2010	December 1, 2010	14,590	2034	38	11,034
Christ Episcopal School 2010	December 20, 2010	3,868	2035	-	3,383
University of Maryland Faculty Physicians Issue (2015) (2010)	December 29, 2010	15,000	2031	55	12,230
Kennedy Krieger Institute 2010	December 30, 2010	30,000	2036	38	27,541
Landon School 2011	June 2, 2011	10,114	2028	50	7,089
Kennedy Krieger Institute, Series 2011	June 23, 2011	19,610	2036	51	17,845
Chesapeake Academy 2011	August 17, 2011	3,200	2036	8	2,795
Adventist HealthCare 2011B	September 1, 2011	59,980	2021	510	34,585
Green Acres School 2011	September 29, 2011	6,855	2031	28	5,416
Upper Chesapeake Hospitals 2011A	October 12, 2011	50,000	2043	-	47,090
The Barnesville School 2011A	December 1, 2011	2,431	2031	8	2,013
The Barnesville School 2011B	December 1, 2011	1,000	2033	3	912
Severn School 2011	December 7, 2011	8,800	2036	23	7,674
Upper Chesapeake Hospitals 2011B & C	December 14, 2011	118,450	2040	190	108,990
Sheppard Pratt 2012A	March 1, 2012	34,032	2036	14	32,177
Sheppard Pratt 2012B	March 1, 2012	62,182	2035	259	51,265
French International School 2012	March 22, 2012	12,620	2034	-	11,300
Charles County Nursing & Rehabilitation Center 2012A & B	June 19, 2012	8,000	2037	-	7,302
St. Mary's Nursing Center 2012	June 19, 2012	5,350	2037	14	4,745
Loyola University, Series 2012B	June 26, 2012	32,595	2026	-	26,340
MedStar Health Maryland 2012	June 27, 2012	38,620	2022	-	38,620
Pickersgill 2012	June 28, 2012	31,150	2033	93	26,905
Union Hospital of Cecil County 2012A and 2012B	July 18, 2012	13,931	2022	117	9,008
Calvert Memorial Hospital 2012	July 24, 2012	19,199	2027	98	14,843
Foundation School 2012	July 25, 2012	6,221	2037	16	5,533
University of Maryland Medical System, Series 2012A	August 16, 2012	40,785	2034	1,135	36,515
University of Maryland Medical System, Series 2012B	August 16, 2012	50,170	2041	-	50,170
University of Maryland Medical System, Series 2012C	August 16, 2012	50,175	2041	-	50,175
University of Maryland Medical System, Series 2012D	August 16, 2012	75,205	2041	-	75,205
Linwood Center 2012	September 19, 2012	4,500	2038	6	2,893
Goucher College, Series 2012B	September 26, 2012	52,070	2037	2,065	44,570
Mount Saint Joseph High School 2012A	September 27, 2012	14,000	2042	-	12,859
Mount Saint Joseph High School 2012B	September 27, 2012	7,500	2019	-	504
Kennedy Krieger Institute, Series 2012	October 17, 2012	7,880	2019	94	3,830
Goucher College, Series 2012C	October 18, 2012	15,000	2022	-	15,000
Johns Hopkins Health System 2012E	November 28, 2012	80,000	2027	-	71,000
Frederick Memorial Hospital, Series 2012B	December 5, 2012	70,020	2035	3,005	60,245
Hebrew Home of Greater Washington 2012	December 20, 2012	21,308	2032	76	18,283
Trinity School, Series 2013	January 24, 2013	6,450	2026	34	5,202
Roland Park Place 2013	April 10, 2013	19,966	2024	143	14,625
Way Station, 2013	May 2, 2013	7,200	2028	35	5,911
Adventist HealthCare 2013	June 12, 2013	15,624	2025	122	11,992

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JULY 1, 2016</i>	<i>BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016</i>
Kennedy Krieger Institute 2013	July 24, 2013	16,730	2033	5	16,140
Stevenson University, Series 2013A, B & C	October 15, 2013	147,670	2043	245	140,516
Johns Hopkins Health System 2012E-2	October 24, 2013	9,000	2026	-	9,000
Augsburg Lutheran Home, Series 2013A & B	December 5, 2013	18,966	2035	55	17,325
Adventist HealthCare 2014A	February 26, 2014	25,000	2038	55	23,895
Family Services 2014	March 4, 2014	4,430	2039	10	3,911
Our Lady of Good Counsel 2014A	March 12, 2014	31,125	2039	74	29,158
Annapolis Life Care (2014)	September 17, 2014	41,950	2040	56	40,870
Gilman School (2014)	October 16, 2014	35,500	2036	-	35,500
Dematha Catholic High School (2014)	November 13, 2014	17,750	2039	37	17,019
Union Hospital of Cecil County, Series 2014	December 10, 2014	30,778	2039	10	30,588
Our Lady of Good Counsel Issue (2015B)	March 17, 2015	2,950	2040	7	2,839
Our Lady of Good Counsel Issue (2015C)	March 17, 2015	7,500	2024	-	6,375
Johns Hopkins Health System 2012E-3	March 31, 2015	11,000	2029	-	11,000
King Farm Presbyterian Retirement Community, Series 2015	August 19, 2015	33,000	2040	-	9,718
Indian Creek School, Series 2015	August 27, 2015	12,810	2030	29	12,522
Calvert Health System, Series 2015	September 10, 2015	21,000	2035	68	20,321
Friends Community School Isssue (2015)	December 17, 2015	4,900	2045	-	4,850
Johns Hopkins Health System 2012E-4	February 17, 2016	9,000	2027	2,750	6,250
Mercy Medical Center Issue (2016B)	May 19, 2016	35,055	2037	-	35,055
Mercy Medical Center Issue (2016C)	May 19, 2016	65,450	2042	400	65,050
Johns Hopkins Health System Issue (2016A)	May 31, 2016	48,565	2037	930	47,635
Johns Hopkins Health System Issue (2016B)	June 20, 2016	48,245	2042	-	48,245
Bishop McNamara High School Issue (2016)	June 23, 2016	10,800	2041	10	10,790
Doctors Community Hospital Issue (2016)	June 28, 2016	31,945	2030	-	31,945
Private Placements and Limited Offerings Outstanding		\$ 3,024,362		\$ 27,539	\$ 2,093,169
Total Outstanding		\$ 10,283,066		\$ 141,917	\$ 8,522,107

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	ISSUE DATE	AMOUNT ISSUED	FINAL MATURITY	BONDS AND NOTES PAYABLE JULY 1, 2016	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016
Adventist HealthCare, Series 2005A	December 20, 2005	\$ 78,000	2035	\$ -	\$ 78,000
Adventist HealthCare 2011B	September 1, 2011	59,980	2021	510	34,585
Adventist HealthCare, Series 2011A	September 1, 2011	57,205	2036	-	57,205
Adventist HealthCare 2013	June 12, 2013	15,624	2025	122	11,992
Adventist HealthCare 2014A	February 26, 2014	<u>25,000</u>	2038	<u>55</u>	<u>23,895</u>
Subtotal		235,809		687	205,677
Annapolis Life Care (2014)	September 17, 2014	41,950	2040	56	40,870
Anne Arundel Medical Center, Series 2009B	February 19, 2009	60,000	2043	-	60,000
Anne Arundel Health System, Series 2010	February 3, 2010	85,410	2040	1,595	74,835
Anne Arundel Health System, Series 2012	November 1, 2012	73,625	2034	2,465	64,915
Anne Arundel Health System, Series 2014	November 26, 2014	<u>127,305</u>	2039	<u>2,140</u>	<u>120,440</u>
Subtotal		346,340		6,200	320,190
Archdiocese of Baltimore Schools, Series 2007	June 21, 2007	24,165	2037	-	21,675
Ascension Health Alliance, Series 2012B	May 10, 2012	86,025	2051	-	86,025
Augsburg Lutheran Home, Series 2013A & B	December 5, 2013	18,966	2035	55	17,325
Baltimore Leadership School 2010	August 11, 2010	4,000	2020	34	1,932
Beth Tfiloh Dahan Community School, Series 2007	December 18, 2007	15,000	2038	-	13,875
Bishop McNamara High School, Series 2007	August 8, 2007	8,000	2032	245	5,960
Bishop McNamara High School Issue (2016)	June 23, 2016	<u>10,800</u>	2041	<u>10</u>	<u>10,790</u>
Subtotal		18,800		255	16,750
Broadmead 2010	July 14, 2010	12,000	2035	945	6,663
Bryn Mawr School, Series 2009	October 14, 2009	7,350	2037	294	6,044
Calvert Memorial Hospital 2012	July 24, 2012	19,199	2027	98	14,843
Calvert Health System, Series 2013	August 22, 2013	31,185	2038	220	30,660
Calvert Health System, Series 2015	September 10, 2015	<u>21,000</u>	2035	<u>68</u>	<u>20,321</u>
Subtotal		71,384		386	65,824
Capitol College, Series 1995	December 28, 1995	8,000	2020	250	2,350
Carnegie Institute of Washington, Series 2010	February 4, 2010	30,580	2040	-	30,580
Carroll Hospital Center, Series 2006,	December 7, 2006	35,000	2040	35,000	-
Carroll Hospital Center, Series 2012A	May 31, 2012	<u>59,780</u>	2037	<u>1,515</u>	<u>53,670</u>
Subtotal		94,780		36,515	53,670
Charles County Nursing & Rehabilitation Center 2012A & B	June 19, 2012	8,000	2037	-	7,302
Charlestown Community, Series 2010	December 15, 2010	124,995	2045	-	117,890
Chesapeake Academy 2011	August 17, 2011	3,200	2036	8	2,795
Christ Episcopal School 2010	December 20, 2010	3,868	2035	-	3,383
City Neighbors Charter Schools, Series 2013A	December 19, 2013	10,745	2044	125	10,500
Dematha Catholic High School (2014)	November 13, 2014	17,750	2039	37	17,019
Doctors Community Hospital Issue, Series 2010	May 18, 2010	82,670	2038	-	68,690
Doctors Community Hospital Issue (2016)	June 28, 2016	<u>31,945</u>	2030	<u>-</u>	<u>31,945</u>
Subtotal		114,615		-	100,635
Edenwald, Series 2006A	July 6, 2006	55,365	2037	-	47,295
Edenwald, Series 2015	October 14, 2015	<u>49,030</u>	2037	<u>-</u>	<u>49,030</u>
		104,395		-	96,325
Family Services 2014	March 4, 2014	4,430	2039	10	3,911
Foundation School 2012	July 25, 2012	6,221	2037	16	5,533
Frederick Memorial Hospital, Series 2012A	December 5, 2012	96,240	2038	900	92,735
Frederick Memorial Hospital, Series 2012B	December 5, 2012	<u>70,020</u>	2035	<u>3,005</u>	<u>60,245</u>
Subtotal		166,260		3,905	152,980
French International School 2012	March 22, 2012	12,620	2034	-	11,300

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	ISSUE DATE	AMOUNT ISSUED	FINAL MATURITY	BONDS AND NOTES PAYABLE JULY 1, 2016	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016
Friends Community School Issue (2015)	December 17, 2015	4,900	2045	-	4,850
Friends School of Baltimore, Series 2004	April 1, 2004	7,500	2029	26	5,206
Gaudenzia Foundation, Series 2007	December 12, 2007	5,500	2028	195	3,335
Gilman School (2014)	October 16, 2014	35,500	2036	-	35,500
Glen Meadows Retirement Community, Series 1998A & B	August 26, 1999	20,410	2029	650	13,855
Goucher College, Series 2012A	August 30, 2012	19,945	2034	-	19,945
Goucher College, Series 2012B	September 26, 2012	52,070	2037	2,065	44,570
Goucher College, Series 2012C	October 18, 2012	15,000	2022	-	15,000
Subtotal		<u>87,015</u>		<u>2,065</u>	<u>79,515</u>
Greater Baltimore Medical Center, Series 1995	October 11, 1995	10,000	2025	405	4,540
Greater Baltimore Medical Center, Series 2011	April 20, 2011	67,945	2034	3,090	55,100
Greater Baltimore Medical Center, Series 2012A	April 11, 2012	35,680	2034	-	35,680
Subtotal		<u>113,625</u>		<u>3,495</u>	<u>95,320</u>
Green Acres School 2011	September 29, 2011	6,855	2031	28	5,416
Hebrew Home of Greater Washington 2012	December 20, 2012	21,308	2032	76	18,283
Indian Creek School, Series 2015	August 27, 2015	12,810	2030	29	12,522
The Johns Hopkins Hospital, Series 1990	June 7, 1990	90,169	2019	9,368	24,348
The Johns Hopkins Health System, Commercial Paper, Series B	February 9, 2004	40,000	2024	5,875	57,995
Suburban Hospital, Series 2004	June 3, 2004	32,445	2029	3,310	-
Johns Hopkins Health System, Series 2010	June 16, 2010	148,195	2040	-	148,195
Johns Hopkins Health System, Series 2011A	November 10, 2011	74,615	2026	-	66,995
Johns Hopkins Health System, Series 2012B	May 3, 2012	97,560	2033	3,175	85,000
Johns Hopkins Health System, Series 2012C & D	August 9, 2012	169,670	2038	-	166,680
Johns Hopkins Health System 2012E	November 28, 2012	80,000	2027	-	71,000
Johns Hopkins Health System, Series 2013A	May 9, 2013	88,250	2046	-	88,250
Johns Hopkins Health System, Series 2013B	May 22, 2013	61,850	2029	-	55,190
Johns Hopkins Health System, Series 2013C	August 28, 2013	238,000	2043	-	235,075
Johns Hopkins Health System 2012E-2	October 24, 2013	9,000	2026	-	9,000
Johns Hopkins Health System 2012E-3	March 31, 2015	11,000	2029	-	11,000
Johns Hopkins Health System, Series 2015A	May 12, 2015	134,735	2040	-	132,815
Johns Hopkins Health System, Series 2015B	May 12, 2015	48,245	2048	-	48,245
Johns Hopkins Health System 2012E-4	February 17, 2016	9,000	2027	2,750	6,250
Johns Hopkins Health System Issue (2016A)	May 31, 2016	48,565	2037	930	47,635
Johns Hopkins Health System Issue (2016B)	June 20, 2016	48,245	2042	-	48,245
Subtotal		<u>1,429,544</u>		<u>25,408</u>	<u>1,301,918</u>
The Johns Hopkins Medical Institutions Parking, Series 1996	March 28, 1996	42,425	2026	1,805	24,510
The Johns Hopkins Medical Institutions Parking Facilities, Series 2001	August 29, 2001	28,030	2034	735	21,405
The Johns Hopkins Medical Institutions Parking Facilities, Series 2004	May 26, 2004	35,665	2034	125	34,460
The Johns Hopkins Medical Institutions Parking Facilities, Series 2004B	December 1, 2004	33,035	2038	-	23,655
The Johns Hopkins Medical Institutions Utilities, Series 2005A & B	June 29, 2005	48,845	2037	-	24,300
The Johns Hopkins Medical Institutions Utilities, Series 2015	May 12, 2015	19,505	2036	-	19,505
Subtotal		<u>207,505</u>		<u>2,665</u>	<u>147,835</u>
The Johns Hopkins University, Commercial Paper, Series A	June 3, 2000	200,000	2033	-	76,769
The Johns Hopkins University, Commercial Paper, Series B	March 22, 2001	200,000	2034	-	60,400
The Johns Hopkins University, Series 2005A	March 3, 2005	69,265	2036	-	69,265
The Johns Hopkins University, Series 2008A	August 7, 2008	129,880	2038	-	114,880
The Johns Hopkins University, Series 2012A	June 14, 2012	153,150	2041	-	153,150
The Johns Hopkins University, Series 2013B	June 20, 2013	99,625	2041	-	99,625
Subtotal		<u>851,920</u>		<u>-</u>	<u>574,089</u>
Kennedy Krieger Institute 2010	December 30, 2010	30,000	2036	38	27,541
Kennedy Krieger Institute, Series 2011	June 23, 2011	19,610	2036	51	17,845
Kennedy Krieger Institute, Series 2012	October 17, 2012	7,880	2019	94	3,830
Kennedy Krieger Institute 2013	July 24, 2013	16,730	2033	5	16,140
Subtotal		<u>74,220</u>		<u>188</u>	<u>65,356</u>
Keswick Multi-Care Center, Series 2007	August 9, 2007	11,520	2037	-	11,520
King Farm Presbyterian Retirement Community, Series 2007A	January 11, 2007	54,590	2037	-	51,095
King Farm Presbyterian Retirement Community, Series 2015	August 19, 2015	33,000	2040	-	9,718
Subtotal		<u>87,590</u>		<u>-</u>	<u>60,813</u>
Landon School 2011	June 2, 2011	10,114	2028	50	7,089

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	ISSUE DATE	AMOUNT ISSUED	FINAL MATURITY	BONDS AND NOTES PAYABLE JULY 1, 2016	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016
LifeBridge Health, Series 2008	January 17, 2008	285,815	2047	3,450	234,140
LifeBridge Health, Series 2011	March 30, 2011	50,695	2041	880	46,585
LifeBridge Health Issue, Series 2015	July 30, 2015	<u>159,685</u>	2047	-	<u>159,685</u>
Subtotal		496,195		4,330	440,410
Linwood Center 2012	September 19, 2012	4,500	2038	6	2,893
Loyola University Maryland, Series 2012A	June 7, 2012	49,250	2039	-	46,355
Loyola University, Series 2012B	June 26, 2012	32,595	2026	-	26,340
Loyola University Maryland Issue, Series 2014	October 30, 2014	<u>60,365</u>	2045	-	<u>60,365</u>
Subtotal		142,210		-	133,060
Maryland Institute College of Art, Series 2006	January 5, 2006	30,740	2040	-	30,740
Maryland Institute College of Art, Series 2007	June 27, 2007	38,740	2042	-	35,005
Maryland Institute College of Art, Series 2012	October 10, 2012	<u>33,985</u>	2047	-	<u>32,085</u>
Subtotal		103,465		-	97,830
Medlantic/Helix, Series 1998A	December 17, 1998	166,605	2038	-	82,055
Medlantic/Helix, Series 1998B	December 17, 1998	116,910	2038	-	56,960
MedStar Health, Series 2011	November 17, 2011	94,920	2041	-	70,945
MedStar Health Maryland 2012	June 27, 2012	38,620	2022	-	38,620
MedStar Health, Series 2013A	March 21, 2013	117,785	2041	-	117,785
MedStar Health, Series 2013B	May 21, 2013	149,760	2038	-	149,760
MedStar Health Issue, Series 2015	February 11, 2015	<u>357,205</u>	2045	-	<u>357,205</u>
Subtotal		1,041,805		-	873,330
Mercy Medical Center, Series 2006	August 3, 2006	35,000	2036	785	29,785
Mercy Medical Center, Series 2007B & C	November 8, 2007	30,000	2024	2,000	23,050
Mercy Medical Center, Series 2008	July 16, 2008	35,325	2022	2,635	17,625
Mercy Medical Center, Series 2011	February 24, 2011	40,770	2031	190	37,225
Mercy Medical Center, Series 2012	April 25, 2012	49,995	2031	-	49,995
Mercy Medical Center Issue, Series 2016A	March 2, 2016	135,250	2042	-	135,250
Mercy Medical Center Issue (2016B)	May 19, 2016	35,055	2037	-	35,055
Mercy Medical Center Issue (2016C)	May 19, 2016	<u>65,450</u>	2042	400	<u>65,050</u>
Subtotal		426,845		6,010	393,035
Mercy Ridge, Series 2000	March 30, 2000	69,305	2031	-	20,800
Mercy Ridge, Series 2007	March 22, 2007	<u>23,445</u>	2035	440	<u>20,225</u>
Subtotal		92,750		440	41,025
Western Maryland Health System, Series 2014	November 19, 2014	236,170	2034	11,230	222,040
Meritus Medical Center Issue, Series 2015	July 9, 2015	<u>257,300</u>	2045	3,930	<u>253,370</u>
Subtotal		493,470		15,160	475,410
Mount Saint Joseph High School 2012A	September 27, 2012	14,000	2042	-	12,859
Mount Saint Joseph High School 2012B	September 27, 2012	<u>7,500</u>	2019	-	<u>504</u>
Subtotal		21,500		-	13,363
Mt. Airy Christian Academy 2005	August 26, 2005	2,500	2031	4	1,028
College of Notre Dame of Maryland, Series 2010	November 24, 2010	11,495	2035	-	10,465
Notre Dame of Maryland University, Series 2012	June 25, 2012	<u>21,195</u>	2042	-	<u>18,655</u>
Subtotal		32,690		-	29,120
Odenton Christian School, Series 2008	March 19, 2008	3,590	2033	-	3,535
Oldfields School, Series 2010	April 14, 2010	2,985	2019	-	2,985
Our Lady of Good Counsel 2014A	March 12, 2014	31,125	2039	74	29,158
Our Lady of Good Counsel Issue (2015B)	March 17, 2015	2,950	2040	7	2,839
Our Lady of Good Counsel Issue (2015C)	March 17, 2015	<u>7,500</u>	2024	-	<u>6,375</u>
Subtotal		41,575		81	38,372
Park School 2010	December 1, 2010	14,590	2034	38	11,034
Patterson Park Public Charter School, Series 2010A & B	March 16, 2010	13,665	2045	165	12,940
Peninsula Regional Medical Center, Series 2015	February 5, 2015	126,665	2045	1,930	123,960
Pickersgill 2012	June 28, 2012	31,150	2033	93	26,905
Pooled Loan Program, Series 1985A & B	December 30, 1985	175,000	2035	-	175,000
Pooled Loan Program, Series D (1994)	January 1, 1994	418,516	2039	685	18,380
Roland Park Country School, Series 2009	October 7, 2009	17,400	2037	-	5,590

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2016, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JULY 1, 2016</i>	<i>BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2016</i>
Roland Park Place 2013	April 10, 2013	19,966	2024	143	14,625
Saint Anne's School 2001	November 8, 2001	4,300	2020	-	1,650
Severn School 2011	December 7, 2011	8,800	2036	23	7,674
Sheppard Pratt 2012A	March 1, 2012	34,032	2036	14	32,177
Sheppard Pratt 2012B	March 1, 2012	<u>62,182</u>	2035	<u>259</u>	<u>51,265</u>
Subtotal		96,214		273	83,442
St. John's Episcopal Day School 2001	December 21, 2001	7,000	2032	14	4,777
St. Mary's County Hospital Lease 2006	December 12, 2006	8,201	2016	-	55
St. Mary's Nursing Center 2012	June 19, 2012	5,350	2037	14	4,745
Stella Maris, Series 1997	June 30, 1997	21,985	2021	1,280	7,435
Stevenson University, Series 2013A, B & C	October 15, 2013	147,670	2043	245	140,516
Stone Ridge School, Series 2005	June 22, 2005	12,000	2035	304	9,470
The Barnesville School 2011A	December 1, 2011	2,431	2031	8	2,013
The Barnesville School 2011B	December 1, 2011	<u>1,000</u>	2033	<u>3</u>	<u>912</u>
Subtotal		3,431		11	2,925
The Boys' Latin School, Series 2009	August 26, 2009	19,830	2038	39	15,549
The SEED School of Maryland, Series 2010	January 21, 2010	25,000	2037	175	22,125
Trinity School, Series 2013	January 24, 2013	6,450	2026	34	5,202
Union Hospital of Cecil County 2012A and 2012B	July 18, 2012	13,931	2022	117	9,008
Union Hospital of Cecil County, Series 2014	December 10, 2014	<u>30,778</u>	2039	<u>10</u>	<u>30,588</u>
Subtotal		44,709		127	39,596
University of Maryland Medical System 1991	July 10, 1991	38,670	2022	1,615	20,225
University of Maryland Medical System, Series 2005	October 5, 2005	149,700	2031	3,300	116,375
University of Maryland Medical System, Series 2007A	September 12, 2007	96,445	2034	2,655	85,095
University of Maryland Medical System, Series 2008D & E	May 21, 2008	105,000	2041	-	105,000
University of Maryland Medical System, Series 2008F	July 23, 2008	87,345	2023	5,945	40,415
University of Maryland Medical System, Series 2010	January 7, 2010	242,385	2039	5,985	203,690
Upper Chesapeake Hospitals 2011A	October 12, 2011	50,000	2043	-	47,090
Upper Chesapeake Hospitals 2011B & C	December 14, 2011	118,450	2040	190	108,990
University of Maryland Medical System, Series 2012A	August 16, 2012	40,785	2034	1,135	36,515
University of Maryland Medical System, Series 2012B	August 16, 2012	50,170	2041	-	50,170
University of Maryland Medical System, Series 2012C	August 16, 2012	50,175	2041	-	50,175
University of Maryland Medical System, Series 2012D	August 16, 2012	75,205	2041	-	75,205
University of Maryland Medical System, Series 2013A (Tax Exempt)	April 2, 2013	247,280	2043	3,450	231,795
University of Maryland Medical System, Series 2013B (Taxable)	April 2, 2013	115,055	2043	-	115,055
University of Maryland Medical System, Series 2015	May 21, 2015	<u>80,145</u>	2041	<u>1,275</u>	<u>77,735</u>
Subtotal		1,546,810		25,550	1,363,530
University of Maryland Faculty Physicians Issue (2015) (2010)	December 29, 2010	15,000	2031	55	12,230
Way Station, 2013	May 2, 2013	7,200	2028	35	5,911
Total Outstanding		\$ 10,283,066		\$ 141,917	\$ 8,522,107

Maryland Health and Higher Educational Facilities Authority
Additional Information - Conduit Debt Outstanding

DEFEASED CONDUIT DEBT

Bonds have been issued for the purpose of refunding bonds that were issued by the Authority. In some cases, the proceeds of the refunding bonds were deposited into escrow trusts to be applied in future years to retire the refunded bonds. The trusts are held by independent trustees and are invested in obligations of the United States Government which mature and bear interest in such amounts and payable at such times as will be sufficient to pay the principal and interest of the defeased bonds when due upon maturity or redemption.

Defeased bonds outstanding at June 30, 2016 are as follows (in thousands of dollars):

Anne Arundel Health System, Series 2009A	\$ 115,200
College of Notre Dame of Maryland, Series 1998	1,770
Helix Health Issue, Series 1997	76,605
Peninsula Regional Medical Center, Series 2006	118,780
University of Maryland Medical System, Series 2006A	45,000
Upper Chesapeake Hospitals, Series 2008C	48,380
Western Maryland Health System, Series 2006 A&B	293,140
Washington County Hospital, Series 2008	239,525
Washington County Hospital, Series 2008 Escrow Equity	225
LifeBridge Health Series, 2008 (partial redemption)	25,415
Johns Hopkins Health System Issue, Series 2015D	35,315
Doctors Community Hospital, Series 2007A	16,735
Doctors Community Hospital, Series 2010	13,040
Mercy Medical Center, Series 2007A	<u>145,880</u>
Total	<u>\$ 1,175,010</u>

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