

*Maryland Health and Higher
Educational Facilities Authority*

2017 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 provide the foundation for our state's economy.

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.

AUTHORITY MEMBERS

ARNOLD WILLIAMS, *Chairman*

Term as member expires July 1, 2019; 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; Board of Directors, 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 Immediate Past Chair and former member - Maryland State Board of Accountancy.

SHEILA K. RIGGS, *Vice-Chairman*

Term as member expires July 1, 2018; resident of Baltimore City; former Chairman; 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.

NANCY K. KOPP, *ex officio*

Resident of Montgomery County; Treasurer of the State of Maryland; Chair - Maryland Capital Debt Affordability Committee; Maryland 529 (formerly 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; and Financial Accounting Foundation Board of Trustees.

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

Term expired July 1, 2017; resident of Washington County; Professor Emeritus, Frostburg State University, College of Business; member - American Marketing Association; and St. Maria Goretti High School Board.

JAMES P. DALY, JR., *Member*

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

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, 2020; 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; Board of Finance of the City of Baltimore; 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)

BONNIE PHIPPS, *Member*

Term expires July 1, 2021; resident of Baltimore County; former Senior Vice President and Ministry Market Leader - Ascension Health; former President and CEO - St. Agnes Healthcare; former President and CEO - Saint Joseph's Health System; Board Member - Charlestown Retirement Community; St. Mary's Seminary University; Notre Dame of Maryland University; and Financial Administration of Archdiocese of Baltimore; Member - Network 2000; and Healthcare Financial Management Association.

W. DANIEL WHITE, *Member*

Term expires July 1, 2020; resident of Baltimore County; retired Executive Vice President, Assistant Secretary and Assistant Treasurer and member of the Board of Directors - The Whiting-Turner Contracting Company; Advisory Board Member - Towson University; and The Johns Hopkins University Whiting School of Engineering; Board Member and Immediate Past Board Chair - Maryland Family Network; Planning Committee Chair - Baltimore Country Club; former Board member - Stevenson University; Maryland Chamber of Commerce; Calvert Hall College High School; Leadership Maryland; Downtown Partnership; USS Constellation Museum; Multiple Sclerosis Society; and United 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; and former Vice Chairman - Baltimore County Chamber of Commerce, Economic Development; Advanced Resource Management Systems; and 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

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, 2017 and 2016, 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, 2017 and 2016, 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 16 and 40 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 41 through 53 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 12, 2017

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 2017 the Authority issued and delivered 42 bond issues totaling approximately \$2,297 million. The approximately \$1,327 million increase from the total issued in fiscal year 2016 is primarily due to an increase in new project funding of approximately \$713 million and an increase in refinancing of approximately \$614 million.

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

- During fiscal year 2017 the Authority also exercised a conversion option with respect to the basis on which interest is calculated and extension of mandatory purchase dates on one private placement bond issue with outstanding balance totaling more than \$11 million.
- Operating revenues increased by approximately \$8,000 due primarily to an increase in application fees. The Authority funds its operations using a combination of annual administrative fees, application fees and non-operating investment income. Annual administrative fees may be set at a maximum of one tenth of one percent of the par amount of debt issued. The application fee is currently \$5,000. In fiscal year 2017, 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 increased by approximately \$108,000 due primarily to an \$118,000 increase in professional fees for financial advisor services resulting from an increase in the volume of public bond issues by the Authority in fiscal year 2017.
- The Authority had approximately \$9.0 billion and \$8.7 billion of conduit debt outstanding at June 30, 2017 and June 30, 2016, 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, 2017 and 2016 (in thousands of dollars):

	June 30, 2017	June 30, 2016
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$26,462	\$25,506
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	975	873
NET POSITION	25,487	24,633
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$26,462	\$25,506
OPERATING REVENUES	\$2,793	\$ 2,785
OPERATING EXPENSES	1,993	1,885
OPERATING INCOME	800	900
NON-OPERATING REVENUES		
Net income from investments	266	215
Unrealized (loss)/gain on investments	(212)	31
TOTAL NON-OPERATING REVENUES	54	246
INCREASE IN NET POSITION	854	1,146
Net position, beginning of year	24,633	23,487
Net position, end of year	\$25,487	\$24,633

Summary of Financings

During fiscal years 2017 and 2016, the Authority issued:

	<u>2017</u>	<u>2016</u>
Public Issues	\$1,378,395,000	\$636,580,000
Private Placements	918,636,530	333,385,000
	<u>\$2,297,031,530</u>	<u>\$969,965,000</u>

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

The following is a list of bonds issued during fiscal year 2017:

HEALTHCARE FINANCINGS:

\$36,640,000 University of Maryland Medical System Issue (2016A)

\$50,295,000 University of Maryland Medical System Issue (2016B)

\$50,345,000 University of Maryland Medical System Issue (2016C)

\$75,505,000 University of Maryland Medical System Issue (2016D)

Private placements to refund the Authority's Revenue Bonds, University of Maryland Medical System Issue, Series 2012A, University of Maryland Medical System Issue, Series 2012B, University of Maryland Medical System Issue, Series 2012C, and University of Maryland Medical System Issue, Series 2012D.

\$4,066,000 Mosaic Community Services Issue (2016)

A private placement to refund a loan under the Authority's Pooled Loan Program, Series D and to refinance existing mortgage debt.

\$54,370,000 University of Maryland Medical System Issue (2016E)

\$54,360,000 University of Maryland Medical System Issue (2016F)

Private placements to refund the Authority's Revenue Bonds, Upper Chesapeake Hospitals Issue (2011B) and Upper Chesapeake Hospitals Issue (2011C).

\$120,695,000 Lifebridge Health Issue, Series 2016

A public offering to refund a portion of the Authority's Revenue Bonds, LifeBridge Health Issue, Series 2011 and LifeBridge Health Issue, Series 2008.

\$269,750,000 Adventist HealthCare Issue, Series 2016A

A public offering to finance the construction and equipping of a replacement hospital for Washington Adventist Hospital and to finance other capital projects.

\$126,395,000 Adventist HealthCare Issue (2016B)

A private placement to refund the Authority's Revenue Bonds, Adventist HealthCare Issue (2011B) and Adventist HealthCare Issue, Series 2005A and to fund an interest rate swap termination fee.

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

\$46,220,000 University of Maryland Medical System Issue (2017A)

A private placement to refund the Authority's Revenue Bonds, Upper Chesapeake Hospitals Issue (2011A).

\$30,065,000 (Trinity Health Credit Group), Series 2017MD

A public offering to finance certain improvements and additions to Holy Cross Hospital's facilities located in Montgomery County, Maryland.

\$152,410,000 University of Maryland Medical System Issue, Series 2017B

A public offering to refund the Authority's Revenue Bonds, University of Maryland Medical System Issue, Series 1991B and a portion of the Authority's Revenue Bonds, University of Maryland Medical System Issue, Series 2010.

\$121,400,000 University of Maryland Medical System Issue, Series 2017C (Taxable)

A public offering to refund the Authority's Revenue Bonds, University of Maryland Medical System Issue, Series 2005.

\$64,165,000 Doctors Community Hospital Issue, Series 2017A

A public offering to refund the Authority's Revenue Bonds, Doctors Community Hospital Issue, Series 2010.

\$ 73,720,000 Greater Baltimore Medical Center Issue (2017A)

A private placement to refund a portion of the Authority's Revenue Bonds, Greater Baltimore Medical Center Issue, Series 2011 and Greater Baltimore Medical Center Issue, Series 2012A.

\$23,000,000 Kennedy Krieger Issue (2017A)

\$27,510,000 Kennedy Krieger Issue (2017B)

Private placements to finance the construction and equipping of the Harry and Jeanette Weinberg Autism and Rehabilitation Center and to refund the Authority's Revenue Bonds, Kennedy Krieger Institute Issue (2010).

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

\$38,710,000 Doctors Community Hospital Issue (2017B)

A private placement to refinance a taxable Promissory Note (2016) issued by Doctors Community Hospital.

\$2,750,000 The Johns Hopkins Health System Issue (2012E-5)

A private placement to finance capital improvements.

\$29,000,000 Frederick Memorial Hospital Issue (2017A)

\$60,645,000 Frederick Memorial Hospital Issue (2017B)

Private placements to refund the Authority's Revenue Bonds, Frederick Memorial Hospital Issue (2012B), finance the construction and equipping of a Cancer Institute, and fund other projects.

\$395,055,000 - MedStar Health Issue, Series 2017A

A public offering to finance the construction of a new surgical pavilion at MedStar Georgetown University Hospital and other capital projects.

HIGHER EDUCATIONAL INSTITUTION FINANCINGS:

\$37,990,000 Maryland Institute College of Art Issue, Series 2016

A public offering to refund the Authority's Revenue Bonds, Maryland Institute College of Art Issue, Series 2006 and a portion of the Authority's Revenue Bonds, Maryland Institute College of Art Issue, Series 2007.

\$17,585,000 Maryland Institute College of Art Issue, Series 2017

A public offering to refund the Authority's Revenue Bonds, Maryland Institute College of Art Issue, Series 2007.

\$57,565,000 Goucher College Issue, Series 2017A

A public offering to refund the Authority's Revenue Bonds, Goucher College Issue, Series 2012B and Goucher College Issue, Series 2012C.

\$30,000,000 Goucher College Issue (2017B)

A private placement to finance a portion of the cost of construction of three residential student housing buildings, a dining facility, and a new science building and relocation of existing residential housing buildings.

RETIREMENT COMMUNITY FINANCINGS:

\$89,600,000 Charlestown Community Issue, Series 2016A

A public offering to refund a portion of the Authority's Revenue Bonds, Charlestown Community Issue, Series 2010.

\$30,000,000 Charlestown Community Issue (2016B)

A private placement to refund the balance of the Authority's Revenue Bonds, Charlestown Community Issue, Series 2010.

\$25,000,000 Charlestown Community Issue (2016C)

A private placement to finance costs of expanding, renovating, constructing and equipping certain buildings located on the Charlestown Community campus.

\$30,000,000 Roland Park Place Issue (2017)

A private placement to finance a repositioning strategy which consists of major independent living commons renovations, creation of an assisted living memory support facility and downsizing and reconfiguring of the Comprehensive Care area.

NON-COLLEGIATE SCHOOL FINANCINGS:

\$15,999,265 The Key School Issue (2016A)

A private placement to finance the construction of Fusco Athletic Park and to refund the Anne Arundel County, Maryland Variable Rate Demand Revenue Bonds, Series 2008.

\$500,735 The Key School Issue (2016B) (Taxable)

A private placement to fund an interest rate swap termination fee.

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

\$12,500,000 Severn School Issue (2016A)
\$1,300,000 Severn School Issue (2016B)

Private placements to refund the Authority's Revenue Bonds, Severn School Issue (2011) and Chesapeake Academy Issue (2011) and to refund a taxable line of credit.

\$3,980,000 Connelly School of the Holy Child Issue (2017A)
\$300,000 Connelly School of the Holy Child Issue (2017B)

Private placements to refinance a loan under the Authority's Pooled Loan Program, Series D and finance the renovation and equipping of certain facilities.

\$ 3,480,530 The Vestry of the Holy Trinity Parish Issue (2017)

A private placement to refinance a loan under the Authority's Pooled Loan Program, Series D.

\$8,045,000 Bryn Mawr School Issue (2017A)
\$4,000,000 Bryn Mawr School Issue (2017B)

Private placements to refund the Authority's Revenue Bonds, Bryn Mawr School Issue, Series 2009, refinance a taxable construction loan and finance a portion of the construction of a new student center.

\$ 21,040,000 Green Street Academy Issue, Series 2017A

A public offering to refinance all of Green Street Academy's outstanding taxable debt and finance a portion of the cost of renovation and equipping of the third floor of the school building.

\$ 1,075,000 Green Street Academy Issue, Series 2017B (Taxable)

A public offering to fund a portion of the cost of renovation and equipping of the third floor of the school building and fund an interest rate swap termination fee.

Total Principal of Bonds Outstanding (in thousands of dollars)

	<u>2017</u>	<u>2016</u>
Public Offerings	\$6,769,138	\$6,543,316
Private Placements	<u>2,273,645</u>	<u>2,120,708</u>
Total	<u>\$9,042,783</u>	<u>\$8,664,024</u>

Refer to pages 46-48 for a detailed list of the Public Offerings and Private Placements outstanding.

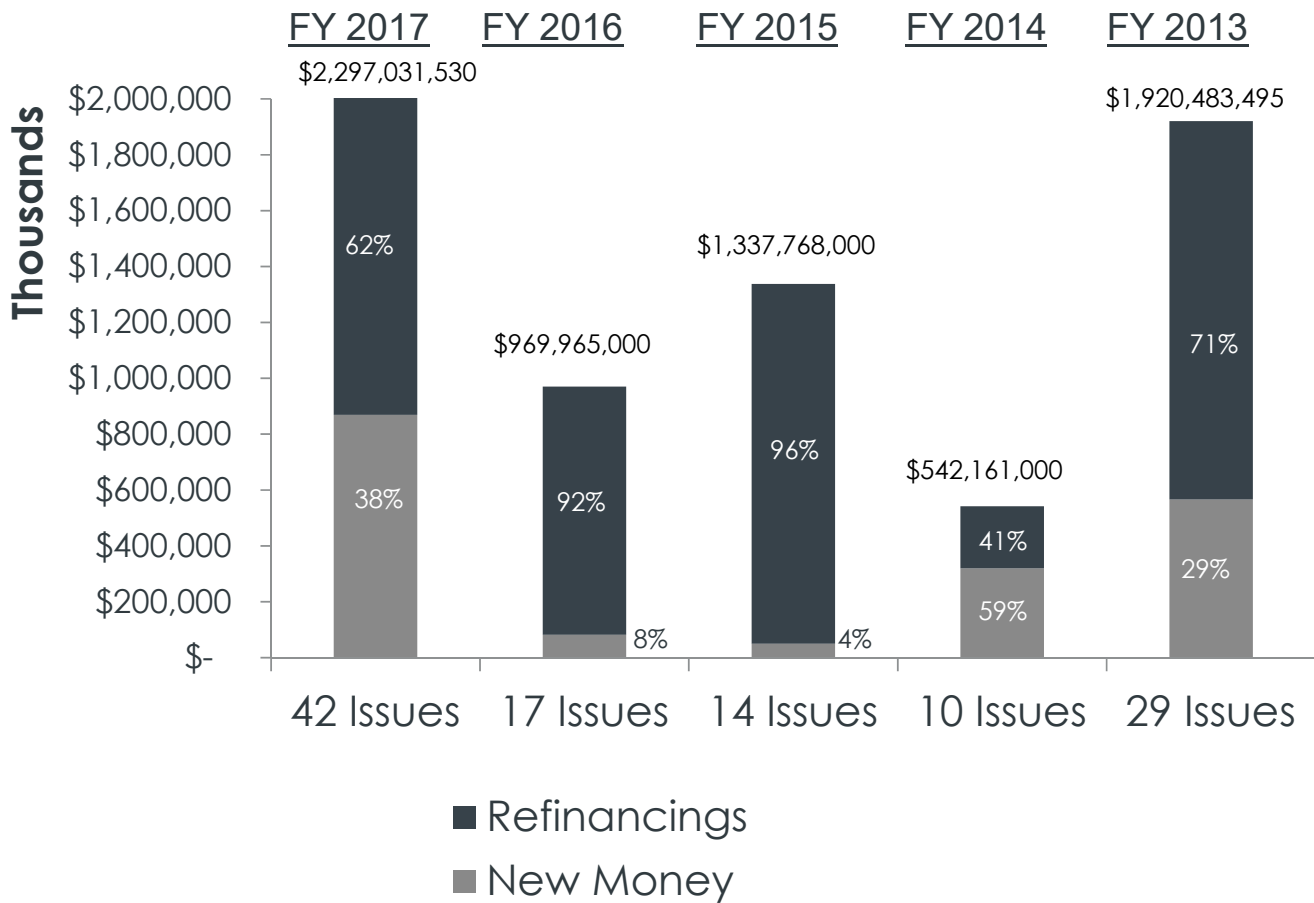
Refer to pages 49-52 for a detailed list of the bonds outstanding for each borrower.

Subsequent Bond Activity

Subsequent to June 30, 2017, the following bond was authorized but had not been issued as of September 12, 2017 (the date on which these financial statements were available to be issued).

- \$30,000,000 Atlantic General Hospital Issue (2017 A&B)

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
As of June 30, 2017 and June 30, 2016
(in thousands of dollars)

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 801	\$ 2,374
Investments at fair value	8,098	6,584
Interest receivable	65	24
Administrative fees receivable	4	7
Prepaid insurance and all other prepayments	49	52
Total current assets	9,017	9,041
Non-current assets:		
Investments at fair value	17,223	16,281
Capital assets (net of accumulated depreciation of \$194 and \$196, respectively)	29	23
Total non-current assets	17,252	16,304
Deferred outflows of resources - pension related	193	161
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 26,462	\$ 25,506
LIABILITIES AND NET POSITION BALANCES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 60	\$ 17
Accrued salaries and benefits	76	71
Total current liabilities	136	88
Non-current liabilities:		
Accrued vacation	139	130
Accrued rent	26	30
Net pension liability	596	575
Total non-current liabilities	761	735
Deferred inflows of resources - pension related	78	50
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	975	873
NET POSITION		
Invested in capital assets	29	23
Unrestricted:		
Designated for operations	3,986	3,770
Designated for contingencies	21,472	20,840
TOTAL NET POSITION	25,487	24,633
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 26,462	\$ 25,506

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, 2017 and June 30, 2016
 (in thousands of dollars)

	2017	2016
OPERATING REVENUES		
Annual administrative fees	\$ 2,698	\$ 2,705
Bond issue application fees	95	80
TOTAL OPERATING REVENUES	2,793	2,785
OPERATING EXPENSES		
Salaries	863	863
Employees' insurance, pension and other fringe benefits	125	132
Payroll taxes	54	54
Professional fees	565	447
Contract services	170	171
Office rent, phone and internet	103	106
Insurance	63	63
Depreciation	15	18
Other	35	31
TOTAL OPERATING EXPENSES	1,993	1,885
OPERATING INCOME	800	900
NON-OPERATING REVENUES		
Net income from investments	266	215
Unrealized (loss)/gain on investments	(212)	31
TOTAL NON-OPERATING REVENUES	54	246
INCREASE IN NET POSITION	854	1,146
Net position, beginning of year	24,633	23,487
Net position, end of year	\$ 25,487	\$ 24,633

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, 2017 and June 30, 2016
 (in thousands of dollars)

	2017	2016
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Cash received from administrative and other fees	\$ 2,798	\$ 2,778
Cash payments to employees and employee benefits	(1,012)	(1,021)
Cash payments to suppliers for goods and services	(894)	(831)
Net cash provided by operating activities	892	926
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(21)	(5)
Net cash used in capital and financing activities	(21)	(5)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	218	236
Purchases of investments	(18,242)	(52,454)
Sales and maturities of investments	15,580	53,010
Net cash (used in)/provided by investing activities	(2,444)	792
Net (decrease)/increase in cash and cash equivalents	(1,573)	1,713
Cash and cash equivalents, beginning of year	2,374	661
Cash and cash equivalents, end of year	\$ 801	\$ 2,374
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 800	\$ 900
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Pension Related - proportionate share of state expense	65	66
Pension Related - actual cash contribution paid	(48)	(49)
Depreciation	15	18
Administrative fees receivable	4	(7)
Prepaid pension and other prepayments	3	(7)
Accounts payable and accrued expenses	53	5
Net cash provided by operating activities	\$ 892	\$ 926

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 funds) 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 discount 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

Maryland Health and Higher Educational Facilities Authority
Notes to Financial Statements
June 30, 2017 and June 30, 2016

to mature based 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, 2017 and June 30, 2016 the designation for operating expenses was \$3,986,000 and \$3,770,000, 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, 2017 and June 30, 2016, the designated amounts were \$21,472,000 and \$20,840,000, respectively. These amounts do not exceed the limitations for June 30, 2017 and June 30, 2016, which were \$90,427,833 and \$86,640,240, respectively.

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 right to such vacation benefit is 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.

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Use of Estimates – The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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, 2017 and June 30, 2016. The following tables present the financial assets that the Authority measured at fair value (in thousands of dollars).

June 30, 2017	Level 1	Level 2	Level 3	Total
Obligations of U.S. government agencies and instrumentalities	\$ -	\$24,886	\$-	\$24,886
Money market fund	435	-	-	435
Total	\$ 435	\$24,886	\$0	\$25,321

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

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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, 2017 and June 30, 2016, the amortized cost and fair value of investments were as follows (in thousands of dollars):

June 30, 2017	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Obligations of U.S. government agencies and instrumentalities	\$25,069	\$8	\$(191)	\$24,886
Money market fund	435	-	-	435
Total	\$25,504	\$8	\$(191)	\$25,321

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

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The amortized cost and fair value of investments at June 30, 2017 and June 30, 2016, 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.

<i>June 30, 2017</i>	<i>AMORTIZED COST</i>	<i>FAIR VALUE</i>
Due in one year or less	\$ 8,113	\$ 8,098
Due after one year through five years	17,391	17,223
	<u>\$25,504</u>	<u>\$25,321</u>

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

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, 2017 and June 30, 2016, 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, 2017 and June 30, 2016, the Authority's investment holdings by issuer were as follows (in thousands of dollars):

June 30, 2017	Fair Value	Percentage of Total
Obligations of U.S. Government Agencies:		
Federal Farm Credit Banks	\$7,764	30.66%
Federal Home Loan Mortgage Corporation	7,624	30.11
Federal Home Loan Banks	5,109	20.18
Federal National Mortgage Association	4,389	17.33
Money Market Fund:		
Federated U.S. Government Money Market Fund	435	1.72
Total	\$25,321	100.00%

June 30, 2016	Fair Value	Percentage of Total
Obligations 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%

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As of June 30, 2017 and June 30, 2016, the credit ratings by issuer 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 four fiscal years is as follows:

2018	\$105,025
2019	108,567
2020	111,017
2021	9,251
<u>Total</u>	<u>\$333,860</u>

For the years ended June 30, 2017 and 2016, rental payments required under the terms of the lease totaled \$101,483 and \$98,063, respectively.

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NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 and June 30, 2016 consisted of the following (in thousands of dollars):

	<u>2017</u>	<u>2016</u>
Capital assets beginning of year	\$219	\$216
Additions	21	5
Retirements	(17)	(2)
Capital assets end of year	223	219
Accumulated depreciation end of year	(194)	(196)
Capital assets net of depreciation end of year	\$29	\$23

The Authority recognized \$15,231 and \$18,488 of depreciation expense during fiscal years 2017 and 2016, 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 on total System contributions and approximated 0.0025% and 0.0028% as of the measurement dates of June 30, 2016 and 2015, 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.

In March 2016, the GASB issued Statement No. 82 – Pension Issues (“GASB 82”), which is effective for financial statements with periods beginning after June 15, 2016. This statement amends GASB 68 to require the presentation of covered payroll (the payroll or compensation paid to all employees on which contributions to the pension plan are based), and the related ratios, in the required supplementary information. Previously, GASB 68 required presentation

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of covered-employee payroll (the payroll of employees that are provided with pensions through the pension plan,) and the related ratios, in the required supplementary information. The Authority adopted GASB 82 during fiscal year ended June 30, 2017 and has retroactively applied the related changes to the accompanying required supplementary information to reflect covered payroll instead of covered-employee payroll for all periods presented.

The Authority's employees contributed seven percent of their compensation during fiscal years 2016 and 2017 as stipulated by the System. The Authority contributed \$47,939 and \$49,191 to the System for fiscal years 2017 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 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 that apply to governmental accounting for fiduciary funds.
2. Actual employer contributions billed to participating government units for the years ended June 30, 2016 and 2015, 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 \$77 million and \$251 million, respectively, to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland for the years ended June 30, 2016 and 2015, respectively.
3. The components of the calculation of the net pension liability for the System as of the measurement dates of June 30, 2016 and 2015, calculated in accordance with GASB Statement No. 67, are shown in the following table:

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(Expressed in millions)

	Measurement Date <u>June 30, 2016</u>	Measurement Date <u>June 30, 2015</u>
Total Pension Liability	\$68,959.9	\$66,571.6
Less: Plan Fiduciary Net Position	<u>45,365.9</u>	<u>45,789.8</u>
Net Pension Liability	<u>\$23,594.0</u>	<u>\$20,781.8</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 <u>65.79%</u>	 <u>68.78%</u>

Actuarial Assumptions

Assumption	Measurement Date June 30, 2016	Measurement Date June 30, 2015
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	2.70% General; 3.20% Wages	2.95% General; 3.45% Wages
Discount Rate	7.55%	7.55%
Investment Rate of Return	7.55%	7.55%
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 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience.	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience.
Note:	There were no benefit changes during the year.	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%.

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

Asset Class	June 30, 2016		June 30, 2015	
	Target Allocations	Long-Term Expected Real Rate of Return	Target Allocations	Long-Term Expected Real Rate of Return
Public Equity	37%	6.60%	35%	6.30%
Private Equity	10%	7.40%	10%	7.20%
Rate Sensitive/Fixed Income	20%	1.30%	10%	0.60%
Credit Opportunity	9%	4.20%	10%	3.20%
Real Return	0%	0.00%	14%	1.80%
Absolute Return	9%	3.70%	10%	4.20%
Real Assets	15%	4.70%	10%	4.40%
Cash	0%	0.00%	1%	0.00%
Total	100%		100%	

The above was the asset allocation policy adopted by the System’s Board of Trustees and best estimate of geometric real rates of return for each major asset class as of June 30, 2016 and 2015, respectively.

Discount Rate

A single discount rate of 7.55% was used to measure the total pension liability as of June 30, 2016 and 2015, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 7.55%. 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

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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

The following presents the sensitivity of the System’s net pension liability to changes in the single discount rate 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%, a single discount rate that is 1-percentage point lower (i.e., 6.55%) and a single discount rate that is 1-percentage point higher (i.e., 8.55%):

2016	1% Lower – 6.55%	Current Rate – 7.55%	1% Higher – 8.55%
The System’s Net Pension Liability	\$32,408,442	\$23,594,027	\$16,259,112
The Authority’s Proportionate Share of Net Pension Liability	\$819	\$596	\$411

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

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,

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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. 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 were 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 became or 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 determine how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and designated beneficiary's attained age and similar actuarial factors. On 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% 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 are 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 2017 and 2016, is 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 was 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 became or 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 was 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 was 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 became or 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 whom 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)

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, 2017 and 2016, the Authority reported a liability of \$595,775 and \$574,755, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, 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, 2016 and 2015, the Authority's proportion was approximately 0.0025% and 0.0028%, respectively.

For the years ended June 30, 2017 and 2016, the Authority recognized pension expense of \$65,185 and \$66,489, respectively. At the measurement dates of June 30, 2016 and 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Measurement Date of June 30, 2016	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 26,191	\$ -
Difference between actual and expected experience	-	15,881
Net difference between projected and actual earnings on pension plan investments	97,065	25,181
Change in Proportion	22,164	36,595
Contributions subsequent to the measurement date	47,939	-
Total	\$ 193,359	\$ 77,657

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

The deferred outflows of resources of \$47,939 and \$49,191 relating to contributions subsequent to the measurement dates of June 30, 2016 and 2015, respectively, will be recognized as a reduction of the Authority's net pension liability during the fiscal years ending June 30, 2018 and 2017, 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 for 2016, 2015 and 2014 are being amortized over the remaining service lives of 5.8647, 5.87 and 5 years, respectively. The deferred outflows and inflows related to net differences in investment earnings for 2016, 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.

Maryland Health and Higher Educational Facilities Authority
Notes to Financial Statements
June 30, 2017 and June 30, 2016

The following tables show the amortization of these deferred outflows and inflows balances:

Amortization of 2016 Balance			
Fiscal Year Ending June 30	Deferred Outflows-Net Difference in Investment Earnings	Deferred Inflows-Change in Proportion	Deferred Inflows-Actual vs Expected Experience
2018	\$14,774	\$7,523	\$1,342
2019	\$14,774	\$7,523	\$1,342
2020	\$14,774	\$7,523	\$1,342
2021	\$14,774	\$7,523	\$1,342
2022		\$6,505	\$1,160

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
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		
2022						

Net Pension Liability

The components of the Authority's proportionate share of the System's net pension liability as of the measurement dates of June 30, 2016 and 2015 were as follows (expressed in thousands):

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total Pension Liability	\$1,741	\$1,841
Less: Plan Fiduciary Net Position	<u>1,145</u>	<u>1,266</u>
Net Pension Liability	<u>\$ 596</u>	<u>\$ 575</u>
Plan fiduciary net position as a percentage of total pension liability	65.79%	68.78%

Maryland Health and Higher Educational Facilities Authority
 Notes to Financial Statements
 June 30, 2017 and June 30, 2016

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, 2016 and 2015 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 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, 2017 and June 30, 2016 (in thousands of dollars):

	<u>2017</u>	<u>2016</u>
Bonds outstanding at beginning of the fiscal year	\$8,664,024	\$8,779,533
Plus: Bonds issued during fiscal year	2,297,032	969,965
Less: Redemptions and refundings during fiscal year	(1,918,273)	(1,085,474)
Bonds outstanding as of June 30, 2017 and June 30, 2016	\$9,042,783	\$8,664,024

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 12, 2017 (the date the financial statements were 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 2017	FY 2016	FY 2015
Authority’s proportion (%) of collective net pension liability	0.0025%	0.0028%	0.0026%
Authority’s proportionate share (\$) of collective net pension liability	\$595,776	\$574,755	\$460,117
Authority’s covered payroll (\$)*	\$809,354	\$779,710	\$780,688
Authority’s proportionate share of collective net pension liability as a percentage of its covered payroll	73.6%	73.7%	58.9%
Pension plan’s fiduciary net position as a percentage of the total pension liability	65.79%	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

Schedule of the Authority's Pension Plan Contributions Last 10 Fiscal Years										
	<u>2017</u>	<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>
Contractually required contribution	47,939	49,191	58,294	60,419	55,384	65,295	75,807	40,291	33,864	41,028
Contributions in relation to the contractually required contribution	<u>47,939</u>	<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>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's Covered Payroll*	809,354	779,710	780,688	761,281	782,479	727,084	825,270	702,045	626,475	599,435
Contributions as a percentage of covered payroll	5.92%	6.31%	7.47%	7.94%	7.08%	8.98%	9.19%	5.74%	5.41%	6.84%

* In accordance with GASB 82, amounts shown represent the payroll on which contributions to the pension plan are based.

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, notes or leases, disbursements of 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, notes and leases outstanding. Trusteed Funds are maintained by third party trustees or other fiscal agents in accordance with the requirements of the respective bond, note and lease 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 and Capitalized Interest Funds 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, notes and leases.

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
 As of June 30, 2017
 (in thousands of dollars)

	Construction Funds	Program Funds	Debt Service Funds
Assets			
Cash and Cash Equivalents	\$0.0	\$0.0	\$81,674.6
Investments at fair value	712,780.5	46,613.9	186,425.5
Interest Receivable	372.4	108.6	120.5
Due from Other Funds	0.0	61.8	2,281.0
Due from Institutions	0.0	0.0	39,172.1
Total Assets	\$713,152.9	\$46,784.3	\$309,673.7
Liabilities and Net Position			
Liabilities:			
Accounts Payable and Accrued Expenses	0.0	0.0	187.6
Principal Payable	0.0	0.0	119,144.9
Interest Payable	0.0	0.0	95,575.0
Due to Other Funds	65.7	61.7	2,215.3
Total Liabilities	\$65.7	\$61.7	\$217,122.8
Restricted Net Position:			
Reserved for debt service	0.0	0.0	92,550.9
Reserved for loans under Pooled Loan Program	0.0	46,722.6	0.0
Designated for specific projects	0.0	0.0	0.0
Designated for operations	713,087.2	0.0	0.0
Total Net Position	713,087.2	46,722.6	92,550.9
Total Liabilities and Net Position	\$713,152.9	\$46,784.3	\$309,673.7

Debt Service Reserve Funds	Project Reserve Funds	Redemption Funds	Total
\$13.2	\$0.0	\$0.0	\$81,687.8
86,777.2	174.8	2,094.6	\$1,034,866.5
112.1	0.1	0.1	\$713.8
0.0	0.0	0.0	\$2,342.8
0.0	0.0	0.0	\$39,172.1
\$86,902.5	\$174.9	\$2,094.7	\$1,158,783.0

0.0	0.0	0.0	187.6
0.0	0.0	262.5	119,407.4
0.0	0.0	1.7	95,576.7
0.0	0.0	0.0	2,342.7
\$0.0	\$0.0	\$264.2	\$217,514.4

86,902.5	0.0	0.0	179,453.4
0.0	0.0	0.0	46,722.6
0.0	174.9	0.0	174.9
0.0	0.0	1,830.5	714,917.7
86,902.5	174.9	1,830.5	941,268.6
\$86,902.5	\$174.9	\$2,094.7	\$1,158,783.0

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, 2017
(in thousands of dollars)

	Construction Funds	Program Funds	Debt Service Funds
ADDITIONS			
Proceeds from sale of bonds and notes:			
Gross proceeds	\$2,169,570.2	\$0.0	\$13,400.0
Underwriters discount	(7,975.7)	0.0	0.0
Original issuance - Discount	(176.6)	0.0	0.0
Original Issuance - Premium	94,032.1	0.0	0.0
Swap Termination Payment	(15,475.5)	0.0	0.0
Payments, contributions, equity contributions	226.7	0.0	1,888.2
Lease and loan payments	0.0	0.0	267,122.3
Debt service interest	0.0	0.0	304,717.3
Sale of real property	7,943.0	0.0	0.0
Change in Unrealized Gain or Loss on Investments	(111.8)	(47.3)	78.3
Income from investments	1,309.8	406.2	649.0
Transfer from escrow agent	6.6	0.0	0.3
Transfer from other issuer	237.5	0.0	0.0
Total Additions	\$2,249,586.3	\$358.9	\$587,855.4
DEDUCTIONS			
Project and financing costs	189,092.3	0.0	923.9
Loans to institutions	0.0	32,080.7	0.0
Debt service:			
Principal	21,401.3	0.0	257,168.9
Interest	0.0	0.0	306,779.3
Required payments to institutions	0.0	0.0	61.7
Retirement of bonds	0.0	0.0	573,644.2
Transfer to escrow deposit agents for defeased issues	632,938.6	0.0	3,493.2
Transfer to other issuer	2,001.0	0.0	0.0
Total Deductions	\$845,433.2	\$32,080.7	\$1,142,071.2
Net Interfund Transfers In/(Out)	(779,643.3)	17,177.8	586,176.0
Beginning of Year Net Position	88,577.4	61,266.6	60,590.7
Ending Net Position	\$713,087.2	\$46,722.6	\$92,550.9

Debt Service Reserve Funds	Project Reserve Funds	Redemption Funds	Total
\$23,885.9	\$0.0	\$1,831.9	\$2,208,688.0
0.0	0.0	0.0	(\$7,975.7)
0.0	0.0	0.0	(\$176.6)
0.0	0.0	0.0	\$94,032.1
0.0	0.0	0.0	(\$15,475.5)
0.0	50.0	0.0	\$2,164.9
0.0	0.0	0.0	\$267,122.3
0.0	0.0	0.0	\$304,717.3
0.0	0.0	0.0	\$7,943.0
(300.3)	0.0	(0.6)	(\$381.7)
785.1	0.7	27.5	\$3,178.3
0.0	0.0	0.0	\$6.9
0.0	0.0	0.0	\$237.5
\$24,370.7	\$50.7	\$1,858.8	\$2,864,080.8
0.0	0.0	0.3	190,016.5
0.0	0.0	0.0	32,080.7
0.0	0.0	1,084.4	279,654.6
0.0	0.0	54.9	306,834.2
0.0	0.0	0.0	61.7
0.0	0.0	199,280.0	772,924.2
20,105.3	0.0	0.0	656,537.1
0.0	0.0	0.0	2,001.0
\$20,105.3	\$0.0	\$200,419.6	\$2,240,110.0
(17,889.6)	0.0	194,179.1	0.0
100,526.7	124.2	6,212.2	317,297.8
\$86,902.5	\$174.9	\$1,830.5	\$941,268.6

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
PUBLIC OFFERINGS					
Pooled Loan Program, Series 1985A & B	December 30, 1985	\$ 175,000	2035	\$ -	\$ 175,000
The Johns Hopkins Hospital Issue, Series 1990	June 7, 1990	90,169	2019	9,369	16,814
The Johns Hopkins Medical Institutions Parking Issue, Series 1996	March 28, 1996	42,425	2026	1,900	22,610
Stella Maris Issue, Series 1997	June 30, 1997	21,985	2021	1,345	6,090
Medlantic/Helix Issue, Series 1998A	December 17, 1998	166,605	2038	-	82,055
Medlantic/Helix Issue, Series 1998B	December 17, 1998	116,910	2038	-	56,960
Mercy Ridge Issue, Series 2000	March 30, 2000	69,305	2031	-	19,800
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2001	August 29, 2001	28,030	2034	770	20,635
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004	May 26, 2004	35,665	2034	130	34,330
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004B	December 1, 2004	33,035	2038	-	23,655
The Johns Hopkins University Issue, Series 2005A	March 3, 2005	69,265	2036	-	69,265
The Johns Hopkins Medical Institutions Utilities Program Issue, Series 2005B	June 29, 2005	48,845	2035	-	24,300
King Farm Presbyterian Retirement Community Issue, Series 2007A	January 11, 2007	54,590	2037	-	49,810
Mercy Ridge Issue, Series 2007	March 22, 2007	23,445	2035	390	19,835
University of Maryland Medical System Issue, Series 2007A	September 12, 2007	96,445	2034	2,765	82,330
Gaudenzia Foundation Issue, Series 2007	December 12, 2007	5,500	2028	210	3,125
LifeBridge Health Issue, Series 2008	January 17, 2008	285,815	2047	3,625	151,755
Odenton Christian School Issue, Series 2008	March 19, 2008	3,590	2033	-	3,535
University of Maryland Medical System Issue, Series 2008D	May 21, 2008	50,000	2041	-	50,000
University of Maryland Medical System Issue, Series 2008E	May 21, 2008	55,000	-	-	55,000
University of Maryland Medical System Issue, Series 2008F	July 23, 2008	87,345	2023	6,290	34,125
The Johns Hopkins University Issue, Series 2008A	August 7, 2008	129,880	2038	-	114,880
Anne Arundel Medical Center Issue, Series 2009B	February 19, 2009	60,000	2043	-	60,000
University of Maryland Medical System Issue, Series 2010	January 7, 2010	242,385	2039	6,200	56,635
Anne Arundel Health System Issue, Series 2010	February 3, 2010	85,410	2040	1,930	72,905
Carnegie Institute of Washington Issue, Series 2010	February 4, 2010	30,580	2040	-	30,580
Patterson Park Public Charter School Issue, Series 2010A	March 16, 2010	13,085	2045	170	12,770
College of Notre Dame of Maryland Issue, Series 2010	November 24, 2010	11,495	2035	-	10,240
Mercy Medical Center Issue, Series 2011	February 24, 2011	40,770	2031	195	37,030
LifeBridge Health Issue, Series 2011	March 30, 2011	50,695	2041	915	4,100
Greater Baltimore Medical Center Issue, Series 2011	April 20, 2011	67,945	2034	3,195	19,425
Adventist HealthCare Issue, Series 2011A	September 1, 2011	57,205	2036	-	57,205
The Johns Hopkins Health System Obligated Group Issue, Series 2011A	November 10, 2011	74,615	2026	-	64,510
MedStar Health Issue, Series 2011	November 17, 2011	94,920	2041	-	63,235
Greater Baltimore Medical Center Issue, Series 2012A	April 11, 2012	35,680	2034	-	3,475
Mercy Medical Center Issue, Series 2012	April 25, 2012	49,995	2031	-	49,995
The Johns Hopkins Health System Obligated Group Issue, Series 2012B	May 3, 2012	97,560	2033	3,335	81,665
(Ascension Health Alliance Senior Credit Group), Series 2012B	May 10, 2012	86,025	2051	-	86,025
Carroll Hospital Center Issue, Series 2012A	May 31, 2012	59,780	2037	1,555	52,115
Loyola University Maryland Issue, Series 2012A	June 7, 2012	49,250	2039	-	43,335
The Johns Hopkins University Issue, Series 2012A	June 14, 2012	153,150	2041	-	153,150
Notre Dame of Maryland University Issue, Series 2012	June 25, 2012	21,195	2042	-	17,960
The Johns Hopkins Health System Obligated Group Issue, Series 2012C	August 9, 2012	84,610	2038	-	82,830
The Johns Hopkins Health System Obligated Group Issue, Series 2012D	August 9, 2012	85,060	2038	-	82,995
Goucher College Issue, Series 2012A	August 30, 2012	19,945	2034	-	19,945
Maryland Institute College of Art Issue, Series 2012	October 10, 2012	33,985	2047	-	31,360
Anne Arundel Health System Issue, Series 2012	November 1, 2012	73,625	2034	2,540	62,375
Frederick Memorial Hospital Issue, Series 2012A	December 5, 2012	96,240	2038	930	91,805
MedStar Health Issue, Series 2013A	March 21, 2013	117,785	2041	-	115,765
University of Maryland Medical System Issue, Series 2013A	April 2, 2013	247,280	2043	3,600	228,195
University of Maryland Medical System Issue, Series 2013B (Taxable)	April 2, 2013	115,055	2043	-	115,055
The Johns Hopkins Health System Issue, Series 2013A	May 9, 2013	88,250	2046	-	88,250
MedStar Health Issue, Series 2013B	May 21, 2013	149,760	2038	-	149,760
The Johns Hopkins Health System Issue, Series 2013B	May 22, 2013	61,850	2029	-	52,800
The Johns Hopkins University Issue, Series 2013B	June 20, 2013	99,625	2041	-	99,625
Calvert Health System Issue, Series 2013	August 22, 2013	31,185	2038	230	30,430
The Johns Hopkins Health System Issue, Series 2013C	August 28, 2013	238,000	2043	-	232,965
City Neighbors Schools Issue, Series 2013A	December 19, 2013	10,745	2044	135	10,365
Loyola University Maryland Issue, Series 2014	October 30, 2014	60,365	2045	-	60,365
Western Maryland Health System Issue, Series 2014	November 19, 2014	236,170	2034	11,795	210,245
Anne Arundel Health System Issue, Series 2014	November 26, 2014	127,305	2039	2,080	118,360
Peninsula Regional Medical Center Issue, Series 2015	February 5, 2015	126,665	2045	1,990	121,970
MedStar Health Issue, Series 2015	February 11, 2015	357,205	2045	-	353,210
The Johns Hopkins Health System Issue, Series 2015A	May 12, 2015	134,735	2040	-	130,820
The Johns Hopkins Health System Issue, Series 2015B	May 12, 2015	48,245	2048	-	48,245
The Johns Hopkins Medical Institutions Utilities Program Issue, Series 2015A	May 12, 2015	19,505	2036	-	19,505
University of Maryland Medical System Issue, Series 2015	May 21, 2015	80,145	2041	1,315	76,420
Meritus Medical Center Issue, Series 2015	July 9, 2015	257,300	2045	4,215	249,155
LifeBridge Health Issue, Series 2015	July 30, 2015	159,685	2047	-	159,685
Edenwald Issue, Series 2015	October 14, 2015	49,030	2037	-	47,610
Mercy Medical Center Issue, Series 2016A	March 2, 2016	135,250	2042	-	135,250
Maryland Institute College of Art Issue, Series 2016	October 6, 2016	37,990	2042	-	37,990
Charlestown Community Issue, Series 2016A	November 2, 2016	89,600	2045	-	89,600
LifeBridge Health Issue, Series 2016	November 9, 2016	120,695	2047	800	119,895
Adventist HealthCare Issue, Series 2016A	December 14, 2016	269,750	2046	-	269,750
(Trinity Health Credit Group) Series 2017MD	January 19, 2017	30,065	2046	-	30,065
University of Maryland Medical System Issue, Series 2017B	February 2, 2017	152,410	2039	2,350	150,060
University of Maryland Medical System Issue, Series 2017C (Taxable)	February 2, 2017	121,400	2029	4,405	116,995

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
Doctors Community Hospital Issue, Series 2017A	February 23, 2017	64,165	2038	-	64,165
Maryland Institute College of Art Issue, Series 2017	March 7, 2017	17,585	2042	-	17,585
Goucher College Issue, Series 2017A	June 22, 2017	57,565	2044	-	57,565
Green Street Academy Issue, Series 2017A	June 27, 2017	21,040	2052	-	21,040
Green Street Academy Issue, Series 2017B (Taxable)	June 27, 2017	1,075	2023	-	1,075
Medstar Health Issue, Series 2017A	June 29, 2017	395,055	2047	-	395,055
Public Offerings Outstanding		\$ 7,793,589		\$ 80,674	\$ 6,688,464
PRIVATE PLACEMENTS AND LIMITED OFFERINGS					
Pooled Loan Program, Series D	January 1, 1994	418,516	2039	325	\$ 6,535
Greater Baltimore Medical Center, Series 1995	October 11, 1995	10,000	2025	425	4,115
Capitol College, Series 1995	December 28, 1995	8,000	2020	263	1,825
The Johns Hopkins University Issue, Commercial Paper, Series A	June 3, 2000	200,000	2033	-	53,769
The Johns Hopkins University Issue, Commercial Paper, Series B	March 22, 2001	200,000	2034	-	23,400
Saint Anne's School Issue (2001)	November 8, 2001	4,300	2020	-	1,650
St. John's Episcopal Day School Issue (2001)	December 21, 2001	7,000	2032	15	4,598
The Johns Hopkins Health System Issue, Commercial Paper, Series B	February 9, 2004	40,000	2024	5,115	52,880
Friends School of Baltimore Issue, Series 2004	April 1, 2004	7,500	2029	27	4,890
Stone Ridge School Issue, Series 2005	June 22, 2005	12,000	2035	304	9,166
Mt. Airy Christian Academy Issue (2005)	August 26, 2005	2,500	2031	5	972
Mercy Medical Center Issue, Series 2006	August 3, 2006	35,000	2036	830	28,955
Archdiocese of Baltimore Schools Issue, Series 2007	June 21, 2007	24,165	2037	-	21,675
Keswick Multi-Care Center Issue, Series 2007	August 9, 2007	11,520	2037	-	11,520
Mercy Medical Center Issue, Series 2007B (Converted)	November 8, 2007	18,080	2034	1,290	14,095
Mercy Medical Center Issue, Series 2007C (Converted)	November 8, 2007	11,920	2037	815	6,850
Beth Tfiloh Dahan Community School Issue, Series 2007	December 18, 2007	15,000	2038	-	13,470
Mercy Medical Center Issue, Series 2008	July 16, 2008	35,325	2022	2,735	14,890
The Boys' Latin School Issue, Series 2009A	August 26, 2009	14,830	2038	40	10,065
The Boys' Latin School Issue, Series 2009B	August 26, 2009	5,000	2038	-	5,000
Roland Park Country School Issue, Series 2009	October 7, 2009	17,400	2037	-	5,060
The SEED School of Maryland Issue (2010)	January 21, 2010	25,000	2037	180	21,415
Oldfields School Issue, Series 2010	April 14, 2010	2,985	2019	-	2,985
Broadmead Issue (2010)	July 14, 2010	12,000	2035	974	5,689
Baltimore Leadership School Issue (2010)	August 11, 2010	4,000	2020	35	1,516
Park School Issue (2010)	December 1, 2010	14,590	2034	39	10,568
Christ Episcopal School Issue (2010)	December 20, 2010	3,868	2035	-	3,279
Landon School Issue (2011)	June 2, 2011	10,114	2028	50	6,495
Kennedy Krieger Issue (2011)	June 23, 2011	19,610	2036	55	17,185
Green Acres School Issue (2011)	September 29, 2011	6,855	2031	29	5,081
Barnesville School Issue (2011A)	December 1, 2011	2,431	2031	-	1,921
Barnesville School Issue (2011B)	December 1, 2011	1,000	2033	12	866
Sheppard Pratt Issue, Series 2012A	March 1, 2012	34,032	2036	14	32,025
Sheppard Pratt Issue, Series 2012B	March 1, 2012	62,182	2035	266	48,115
French International School Issue (2012)	March 22, 2012	12,620	2034	-	10,900
Charles County Nursing And Rehabilitation Center Issue (2012A)	June 19, 2012	5,446	2037	-	4,663
Charles County Nursing And Rehabilitation Center Issue (2012B)	June 19, 2012	2,554	2037	-	2,386
St. Mary's Nursing Center Issue (2012)	June 19, 2012	5,350	2037	-	4,581
Loyola University Maryland Issue, Series 2012B	June 26, 2012	32,595	2026	-	26,170
MedStar Health Issue (2012)	June 27, 2012	38,620	2022	-	38,620
Pickersgill Issue, Series 2012	June 28, 2012	31,150	2033	96	25,769
The Union Hospital of Cecil County Issue (2012A)	July 18, 2012	9,924	2022	83	5,256
The Union Hospital of Cecil County Issue (2012B)	July 18, 2012	4,007	2022	37	2,332
Calvert Memorial Hospital Issue (2012)	July 24, 2012	19,199	2027	101	13,653
The Foundation Schools Issue (2012)	July 25, 2012	6,221	2037	16	5,344
Linwood Center Issue (2012)	September 19, 2012	4,500	2038	6	2,816
Mount St. Joseph Issue (2012A)	September 27, 2012	14,000	2042	-	12,531
Mount St. Joseph Issue (2012B)	September 27, 2012	7,500	2019	-	504
Kennedy Krieger Issue, Series 2012	October 17, 2012	7,880	2019	95	2,690
The Johns Hopkins Health System Obligated Group Issue (2012E-1)	November 28, 2012	80,000	2027	7,500	60,750
Hebrew Home of Greater Washington Issue (2012)	December 20, 2012	21,308	2032	78	17,365
Trinity School Issue, Series 2013	January 24, 2013	6,450	2026	35	4,793
Roland Park Place Issue (2013)	April 10, 2013	19,966	2024	146	12,895
Way Station Issue (2013)	May 2, 2013	7,200	2028	36	5,481
Adventist HealthCare Issue (2013)	June 12, 2013	15,624	2025	125	10,511
Kennedy Krieger Issue (2013)	July 24, 2013	16,730	2033	5	16,095
Stevenson University Issue (2013A)	October 15, 2013	97,670	2043	142	91,458
Stevenson University Issue (2013B)	October 15, 2013	25,000	2043	39	23,158
Stevenson University Issue (2013C)	October 15, 2013	25,000	2043	43	23,005
The Johns Hopkins Health System Issue (2012E-2)	October 24, 2013	9,000	2026	-	9,000
Augsburg Lutheran Home Issue, Series 2013A	December 5, 2013	9,483	2035	29	8,292
Augsburg Lutheran Home Issue, Series 2013B	December 5, 2013	9,483	2035	28	8,365
Adventist HealthCare Issue (2014A)	February 26, 2014	25,000	2038	60	23,145
Family Services Issue (2014)	March 4, 2014	4,430	2039	10	3,790
Our Lady of Good Counsel Issue (2014A)	March 12, 2014	31,125	2039	71	28,276
Annapolis Life Care Issue (2014)	September 17, 2014	41,950	2040	48	40,219
Gilman School Issue (2014)	October 16, 2014	35,500	2036	-	35,500
DeMatha Catholic High School Issue (2014)	November 13, 2014	17,750	2039	35	16,574
Union Hospital of Cecil County Issue (2014)	December 10, 2014	30,778	2039	10	30,468

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
Our Lady of Good Counsel Issue (2015B)	March 17, 2015	2,950	2040	7	2,757
Our Lady of Good Counsel Issue (2015C)	March 17, 2015	7,500	2024	2,089	4,730
The Johns Hopkins Health System Issue 2012E-3	March 31, 2015	11,000	2029	-	11,000
King Farm Presbyterian Retirement Community Issue (2015)	August 19, 2015	33,000	2040	-	20,400
Indian Creek School Issue, Series 2015	August 27, 2015	12,810	2030	30	12,166
Calvert Memorial Hospital Issue (2015)	September 10, 2015	21,000	2035	70	19,503
University of Maryland Faculty Physicians Issue (2015)	December 1, 2015	12,615	2031	55	11,560
Friends Community School Issue (2015)	December 17, 2015	4,900	2045	9	4,720
The Johns Hopkins Health System Issue 2012E-4	February 17, 2016	9,000	2027	-	9,000
Mercy Medical Center Issue, Series 2016B	May 19, 2016	35,055	2037	-	35,055
Mercy Medical Center Issue, Series 2016C	May 19, 2016	65,450	2042	1,495	63,555
The Johns Hopkins Health System Issue (2016A)	May 31, 2016	48,565	2037	3,465	44,170
The 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	16	6,870
Doctors Community Hospital Issue (2016)	June 28, 2016	31,945	2030	-	31,945
The Key School Issue (2016A)	July 21, 2016	15,999	2046	-	8,181
The Key School Issue (2016B)	July 21, 2016	501	2019	16	329
Severn School Issue (2016A)	August 31, 2016	12,500	2036	42	12,085
Severn School Issue (2016B)	August 31, 2016	1,300	2023	-	619
University of Maryland Medical System Issue (2016A)	September 27, 2016	36,640	2034	1,190	35,450
University of Maryland Medical System Issue (2016B)	September 27, 2016	50,295	2041	-	50,295
University of Maryland Medical System Issue (2016C)	September 27, 2016	50,345	2041	-	50,345
University of Maryland Medical System Issue (2016D)	September 27, 2016	75,505	2041	-	75,505
Mosaic Community Services Issue (2016)	September 28, 2016	4,066	2026	31	3,789
University of Maryland Medical System Issue (2016E)	October 13, 2016	54,370	2039	925	53,445
University of Maryland Medical System Issue (2016F)	October 13, 2016	54,360	2039	925	53,435
Charlestown Community Issue (2016B)	November 2, 2016	30,000	2045	50	29,600
Charlestown Community Issue (2016C)	December 1, 2016	25,000	2045	-	12,719
Adventist HealthCare Issue (2016B)	December 14, 2016	126,395	2046	-	126,395
University of Maryland Medical System Issue (2017A)	January 3, 2017	46,220	2042	1,085	45,135
Roland Park Place Issue (2017)	March 2, 2017	30,000	2042	-	3,281
Greater Baltimore Medical Center Issue (2017)	March 8, 2017	73,720	2034	810	72,910
Kennedy Krieger Issue (2017A)	March 9, 2017	23,000	2042	-	23,000
Kennedy Krieger Issue (2017B)	March 9, 2017	27,510	2037	39	27,355
Connelly School of the Holy Child Issue (2017A)	March 28, 2017	3,980	2037	-	3,980
Connelly School of the Holy Child Issue (2017B)	March 28, 2017	300	2019	-	256
The Vestry of Holy Trinity Parish Issue (2017)	March 29, 2017	3,481	2027	7	3,460
Doctors Community Hospital Issue (2017B)	April 4, 2017	38,710	2024	505	37,470
The Johns Hopkins Health System Issue (2012E-5)	April 19, 2017	2,750	2038	-	2,750
Bryn Mawr School Issue (2017A)	June 13, 2017	8,045	2042	-	8,045
Bryn Mawr School Issue (2017B)	June 13, 2017	4,000	2042	-	50
Frederick Memorial Hospital Issue (2017A)	June 15, 2017	29,000	2042	-	29,000
Frederick Memorial Hospital Issue (2017B)	June 15, 2017	60,645	2035	3,155	57,490
Goucher College Issue (2017B)	June 22, 2017	30,000	2033	-	2,987
Private Placements and Limited Offerings Outstanding		\$ 3,301,208		\$ 38,733	\$ 2,234,912
Total Outstanding		\$ 11,094,797		\$ 119,407	\$ 8,923,376

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
Adventist HealthCare Issue, Series 2011A	September 1, 2011	\$ 57,205	2036	\$ -	\$ 57,205
Adventist HealthCare Issue (2013)	June 12, 2013	15,624	2025	125	10,511
Adventist HealthCare Issue (2014A)	February 26, 2014	25,000	2038	60	23,145
Adventist HealthCare Issue (2016B)	December 14, 2016	126,395	2046	-	126,395
Adventist HealthCare Issue, Series 2016A	December 14, 2016	<u>269,750</u>	2046	-	<u>269,750</u>
Subtotal		493,974		185	487,006
Annapolis Life Care Issue (2014)	September 17, 2014	41,950	2040	48	40,219
Anne Arundel Medical Center Issue, Series 2009B	February 19, 2009	60,000	2043	-	60,000
Anne Arundel Health System Issue, Series 2010	February 3, 2010	85,410	2040	1,930	72,905
Anne Arundel Health System Issue, Series 2012	November 1, 2012	73,625	2034	2,540	62,375
Anne Arundel Health System Issue, Series 2014	November 26, 2014	<u>127,305</u>	2039	<u>2,080</u>	<u>118,360</u>
Subtotal		346,340		6,550	313,640
Archdiocese of Baltimore Schools Issue, Series 2007	June 21, 2007	24,165	2037	-	21,675
(Ascension Health Alliance Senior Credit Group), Series 2012B	May 10, 2012	86,025	2051	-	86,025
Augsburg Lutheran Home Issue, Series 2013A	December 5, 2013	9,483	2035	29	8,292
Augsburg Lutheran Home Issue, Series 2013B	December 5, 2013	<u>9,483</u>	2035	<u>28</u>	<u>8,365</u>
Subtotal		18,966		57	16,657
Baltimore Leadership School Issue (2010)	August 11, 2010	4,000	2020	35	1,516
Barnesville School Issue (2011A)	December 1, 2011	2,431	2031	-	1,921
Barnesville School Issue (2011B)	December 1, 2011	<u>1,000</u>	2033	<u>12</u>	<u>866</u>
Subtotal		3,431		12	2,787
Beth Tfiloh Dahan Community School Issue, Series 2007	December 18, 2007	15,000	2038	-	13,470
Bishop McNamara High School Issue (2016)	June 23, 2016	10,800	2041	16	6,870
Broadmead Issue (2010)	July 14, 2010	12,000	2035	974	5,689
Bryn Mawr School Issue (2017A)	June 13, 2017	8,045	2042	-	8,045
Bryn Mawr School Issue (2017B)	June 13, 2017	<u>4,000</u>	2042	-	<u>50</u>
Subtotal		12,045		-	8,095
Calvert Memorial Hospital Issue (2012)	July 24, 2012	19,199	2027	101	13,653
Calvert Health System Issue, Series 2013	August 22, 2013	31,185	2038	230	30,430
Calvert Memorial Hospital Issue (2015)	September 10, 2015	<u>21,000</u>	2035	<u>70</u>	<u>19,503</u>
Subtotal		71,384		401	63,586
Capitol College, Series 1995	December 28, 1995	8,000	2020	263	1,825
Carnegie Institute of Washington Issue, Series 2010	February 4, 2010	30,580	2040	-	30,580
Charles County Nursing And Rehabilitation Center Issue (2012A)	June 19, 2012	5,446	2037	-	4,663
Charles County Nursing And Rehabilitation Center Issue (2012B)	June 19, 2012	<u>2,554</u>	2037	-	<u>2,386</u>
Subtotal		8,000		-	7,049
Charlestown Community Issue (2016B)	November 2, 2016	30,000	2045	50	29,600
Charlestown Community Issue, Series 2016A	November 2, 2016	89,600	2045	-	89,600
Charlestown Community Issue (2016C)	December 1, 2016	<u>25,000</u>	2045	-	<u>12,719</u>
Subtotal		144,600		50	131,919
Christ Episcopal School Issue (2010)	December 20, 2010	3,868	2035	-	3,279
City Neighbors Schools Issue, Series 2013A	December 19, 2013	10,745	2044	135	10,365
Connelly School of the Holy Child Issue (2017A)	March 28, 2017	3,980	2037	-	3,980
Connelly School of the Holy Child Issue (2017B)	March 28, 2017	<u>300</u>	2019	-	<u>256</u>
Subtotal		4,280		-	4,236
DeMatha Catholic High School Issue (2014)	November 13, 2014	17,750	2039	35	16,574
Doctors Community Hospital Issue (2016)	June 28, 2016	31,945	2030	-	31,945
Doctors Community Hospital Issue, Series 2017A	February 23, 2017	64,165	2038	-	64,165
Doctors Community Hospital Issue (2017B)	April 4, 2017	<u>38,710</u>	2024	<u>505</u>	<u>37,470</u>
Subtotal		134,820		505	133,580
Edenwald Issue, Series 2015	October 14, 2015	49,030	2037	-	47,610
Family Services Issue (2014)	March 4, 2014	4,430	2039	10	3,790
Frederick Memorial Hospital Issue, Series 2012A	December 5, 2012	96,240	2038	930	91,805
Frederick Memorial Hospital Issue (2017A)	June 15, 2017	29,000	2042	-	29,000
Frederick Memorial Hospital Issue (2017B)	June 15, 2017	<u>60,645</u>	2035	<u>3,155</u>	<u>57,490</u>
Subtotal		185,885		4,085	178,295
French International School Issue (2012)	March 22, 2012	12,620	2034	-	10,900

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
Friends Community School Issue (2015)	December 17, 2015	4,900	2045	9	4,720
Friends School of Baltimore Issue, Series 2004	April 1, 2004	7,500	2029	27	4,890
Gaudenzia Foundation Issue, Series 2007	December 12, 2007	5,500	2028	210	3,125
Gilman School Issue (2014)	October 16, 2014	35,500	2036	-	35,500
Goucher College Issue, Series 2012A	August 30, 2012	19,945	2034	-	19,945
Goucher College Issue, Series 2017A	June 22, 2017	57,565	2044	-	57,565
Goucher College Issue (2017B)	June 22, 2017	30,000	2033	-	2,987
Subtotal		107,510		-	80,497
Greater Baltimore Medical Center, Series 1995	October 11, 1995	10,000	2025	425	4,115
Greater Baltimore Medical Center Issue, Series 2011	April 20, 2011	67,945	2034	3,195	19,425
Greater Baltimore Medical Center Issue, Series 2012A	April 11, 2012	35,680	2034	-	3,475
Greater Baltimore Medical Center Issue (2017)	March 8, 2017	73,720	2034	810	72,910
Subtotal		187,345		4,430	99,925
Green Acres School Issue (2011)	September 29, 2011	6,855	2031	29	5,081
Green Street Academy Issue, Series 2017A	June 27, 2017	21,040	2052	-	21,040
Green Street Academy Issue, Series 2017B (Taxable)	June 27, 2017	1,075	2023	-	1,075
Subtotal		22,115		-	22,115
Hebrew Home of Greater Washington Issue (2012)	December 20, 2012	21,308	2032	78	17,365
Indian Creek School Issue, Series 2015	August 27, 2015	12,810	2030	30	12,166
Kennedy Krieger Issue (2011)	June 23, 2011	19,610	2036	55	17,185
Kennedy Krieger Issue, Series 2012	October 17, 2012	7,880	2019	95	2,690
Kennedy Krieger Issue (2013)	July 24, 2013	16,730	2033	5	16,095
Kennedy Krieger Issue (2017A)	March 9, 2017	23,000	2042	-	23,000
Kennedy Krieger Issue (2017B)	March 9, 2017	27,510	2037	39	27,355
Subtotal		94,730		194	86,325
Keswick Multi-Care Center Issue, Series 2007	August 9, 2007	11,520	2037	-	11,520
King Farm Presbyterian Retirement Community Issue, Series 2007A	January 11, 2007	54,590	2037	-	49,810
King Farm Presbyterian Retirement Community Issue (2015)	August 19, 2015	33,000	2040	-	20,400
Subtotal		87,590		-	70,210
Landon School Issue (2011)	June 2, 2011	10,114	2028	50	6,495
LifeBridge Health Issue, Series 2008	January 17, 2008	285,815	2047	3,625	151,755
LifeBridge Health Issue, Series 2011	March 30, 2011	50,695	2041	915	4,100
Carroll Hospital Center Issue, Series 2012A	May 31, 2012	59,780	2037	1,555	52,115
Lifebridge Health Issue, Series 2015	July 30, 2015	159,685	2047	-	159,685
LifeBridge Health Issue, Series 2016	November 9, 2016	120,695	2047	800	119,895
Subtotal		676,670		6,895	487,550
Linwood Center Issue (2012)	September 19, 2012	4,500	2038	6	2,816
Loyola University Maryland Issue, Series 2012A	June 7, 2012	49,250	2039	-	43,335
Loyola University Maryland Issue, Series 2012B	June 26, 2012	32,595	2026	-	26,170
Loyola University Maryland Issue, Series 2014	October 30, 2014	60,365	2045	-	60,365
Subtotal		142,210		-	129,870
Maryland Institute College of Art Issue, Series 2012	October 10, 2012	33,985	2047	-	31,360
Maryland Institute College of Art Issue, Series 2016	October 6, 2016	37,990	2042	-	37,990
Maryland Institute College of Art Issue, Series 2017	March 7, 2017	17,585	2042	-	17,585
Subtotal		89,560		-	86,935
Medlantic/Helix Issue, Series 1998A	December 17, 1998	166,605	2038	-	82,055
Medlantic/Helix Issue, Series 1998B	December 17, 1998	116,910	2038	-	56,960
MedStar Health Issue, Series 2011	November 17, 2011	94,920	2041	-	63,235
MedStar Health Issue (2012)	June 27, 2012	38,620	2022	-	38,620
MedStar Health Issue, Series 2013A	March 21, 2013	117,785	2041	-	115,765
MedStar Health Issue, Series 2013B	May 21, 2013	149,760	2038	-	149,760
MedStar Health Issue, Series 2015	February 11, 2015	357,205	2045	-	353,210
Medstar Health Issue, Series 2017A	June 29, 2017	395,055	2047	-	395,055
Subtotal		1,436,860		-	1,254,660
Mercy Medical Center Issue, Series 2006	August 3, 2006	35,000	2036	830	28,955
Mercy Medical Center Issue, Series 2007B (Converted)	November 8, 2007	18,080	2034	1,290	14,095
Mercy Medical Center Issue, Series 2007C (Converted)	November 8, 2007	11,920	2037	815	6,850
Mercy Medical Center Issue, Series 2008	July 16, 2008	35,325	2022	2,735	14,890
Mercy Medical Center Issue, Series 2011	February 24, 2011	40,770	2031	195	37,030
Mercy Medical Center Issue, 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, Series 2016B	May 19, 2016	35,055	2037	-	35,055
Mercy Medical Center Issue, Series 2016C	May 19, 2016	65,450	2042	1,495	63,555
Subtotal		426,845		7,360	385,675

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
Mercy Ridge Issue, Series 2000	March 30, 2000	69,305	2031	-	19,800
Mercy Ridge Issue, Series 2007	March 22, 2007	<u>23,445</u>	2035	390	<u>19,835</u>
Subtotal		92,750		390	39,635
Meritus Medical Center Issue, Series 2015	July 9, 2015	257,300	2045	4,215	249,155
Mosaic Community Services Issue (2016)	September 28, 2016	4,066	2026	31	3,789
Mount St. Joseph Issue (2012A)	September 27, 2012	14,000	2042	-	12,531
Mount St. Joseph Issue (2012B)	September 27, 2012	<u>7,500</u>	2019	-	<u>504</u>
Subtotal		21,500		-	13,035
Mt. Airy Christian Academy Issue (2005)	August 26, 2005	2,500	2031	5	972
College of Notre Dame of Maryland Issue, Series 2010	November 24, 2010	11,495	2035	-	10,240
Notre Dame of Maryland University Issue, Series 2012	June 25, 2012	<u>21,195</u>	2042	-	<u>17,960</u>
Subtotal		32,690		-	28,200
Odenton Christian School Issue, Series 2008	March 19, 2008	3,590	2033	-	3,535
Oldfields School Issue, Series 2010	April 14, 2010	2,985	2019	-	2,985
Our Lady of Good Counsel Issue (2014A)	March 12, 2014	31,125	2039	71	28,276
Our Lady of Good Counsel Issue (2015B)	March 17, 2015	2,950	2040	7	2,757
Our Lady of Good Counsel Issue (2015C)	March 17, 2015	<u>7,500</u>	2024	<u>2,089</u>	<u>4,730</u>
Subtotal		41,575		2,167	35,763
Park School Issue (2010)	December 1, 2010	14,590	2034	39	10,568
Patterson Park Public Charter School Issue, Series 2010A	March 16, 2010	13,085	2045	170	12,770
Peninsula Regional Medical Center Issue, Series 2015	February 5, 2015	126,665	2045	1,990	121,970
Pickersgill Issue, Series 2012	June 28, 2012	31,150	2033	96	25,769
Pooled Loan Program, Series 1985A & B	December 30, 1985	175,000	2035	0	175,000
Pooled Loan Program, Series D	January 1, 1994	418,516	2039	325	6,535
Roland Park Country School Issue, Series 2009	October 7, 2009	17,400	2037	-	5,060
Roland Park Place Issue (2013)	April 10, 2013	19,966	2024	146	12,895
Roland Park Place Issue (2017)	March 2, 2017	<u>30,000</u>	2042	-	<u>3,281</u>
Subtotal		49,966		146	16,176
Saint Anne's School Issue (2001)	November 8, 2001	4,300	2020	-	1,650
Severn School Issue (2016A)	August 31, 2016	12,500	2036	42	12,085
Severn School Issue (2016B)	August 31, 2016	<u>1,300</u>	2023	-	<u>619</u>
Subtotal		13,800		42	12,704
Sheppard Pratt Issue, Series 2012A	March 1, 2012	34,032	2036	14	32,025
Sheppard Pratt Issue, Series 2012B	March 1, 2012	<u>62,182</u>	2035	<u>266</u>	<u>48,115</u>
Subtotal		96,214		280	80,140
St. John's Episcopal Day School Issue (2001)	December 21, 2001	7,000	2032	15	4,598
St. Mary's Nursing Center Issue (2012)	June 19, 2012	5,350	2037	-	4,581
Stella Maris Issue, Series 1997	June 30, 1997	21,985	2021	1,345	6,090
Stevenson University Issue (2013A)	October 15, 2013	97,670	2043	142	91,458
Stevenson University Issue (2013B)	October 15, 2013	25,000	2043	39	23,158
Stevenson University Issue (2013C)	October 15, 2013	<u>25,000</u>	2043	<u>43</u>	<u>23,005</u>
Subtotal		147,670		224	137,621
Stone Ridge School Issue, Series 2005	June 22, 2005	12,000	2035	304	9,166
The Boys' Latin School Issue, Series 2009A	August 26, 2009	14,830	2038	40	10,065
The Boys' Latin School Issue, Series 2009B	August 26, 2009	<u>5,000</u>	2038	-	<u>5,000</u>
Subtotal		19,830		40	15,065
The Foundation Schools Issue (2012)	July 25, 2012	6,221	2037	16	5,344
The Johns Hopkins Hospital Issue, Series 1990	June 7, 1990	90,169	2019	9,369	16,814
The Johns Hopkins Health System Issue, Commercial Paper, Series B	February 9, 2004	40,000	2024	5,115	52,880
The Johns Hopkins Health System Obligated Group Issue, Series 2011A	November 10, 2011	74,615	2026	-	64,510
The Johns Hopkins Health System Obligated Group Issue, Series 2012B	May 3, 2012	97,560	2033	3,335	81,665
The Johns Hopkins Health System Obligated Group Issue, Series 2012C	August 9, 2012	84,610	2038	-	82,830
The Johns Hopkins Health System Obligated Group Issue, Series 2012D	August 9, 2012	85,060	2038	-	82,995
The Johns Hopkins Health System Obligated Group Issue (2012E-1)	November 28, 2012	80,000	2027	7,500	60,750

Maryland Health and Higher Educational Facilities Authority

Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2017, 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, 2017	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2017
The Johns Hopkins Health System Issue, Series 2013A	May 9, 2013	88,250	2046	-	88,250
The Johns Hopkins Health System Issue, Series 2013B	May 22, 2013	61,850	2029	-	52,800
The Johns Hopkins Health System Issue, Series 2013C	August 28, 2013	238,000	2043	-	232,965
The Johns Hopkins Health System Issue (2012E-2)	October 24, 2013	9,000	2026	-	9,000
The Johns Hopkins Health System Issue 2012E-3	March 31, 2015	11,000	2029	-	11,000
The Johns Hopkins Health System Issue, Series 2015A	May 12, 2015	134,735	2040	-	130,820
The Johns Hopkins Health System Issue, Series 2015B	May 12, 2015	48,245	2048	-	48,245
The Johns Hopkins Health System Issue 2012E-4	February 17, 2016	9,000	2027	-	9,000
The Johns Hopkins Health System Issue (2016A)	May 31, 2016	48,565	2037	3,465	44,170
The Johns Hopkins Health System Issue (2016B)	June 20, 2016	48,245	2042	-	48,245
The Johns Hopkins Health System Issue (2012E-5)	April 19, 2017	2,750	2038	-	2,750
Subtotal		1,251,654		28,784	1,119,689
The Johns Hopkins Medical Institutions Parking Issue, Series 1996	March 28, 1996	42,425	2026	1,900	22,610
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2001	August 29, 2001	28,030	2034	770	20,635
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004	May 26, 2004	35,665	2034	130	34,330
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004B	December 1, 2004	33,035	2038	-	23,655
The Johns Hopkins Medical Institutions Utilities Program Issue, Series 2005B	June 29, 2005	48,845	2035	-	24,300
The Johns Hopkins Medical Institutions Utilities Program Issue, Series 2015A	May 12, 2015	19,505	2036	-	19,505
Subtotal		207,505		2,800	145,035
The Johns Hopkins University Issue, Commercial Paper, Series A	June 3, 2000	200,000	2033	-	53,769
The Johns Hopkins University Issue, Commercial Paper, Series B	March 22, 2001	200,000	2034	-	23,400
The Johns Hopkins University Issue, Series 2005A	March 3, 2005	69,265	2036	-	69,265
The Johns Hopkins University Issue, Series 2008A	August 7, 2008	129,880	2038	-	114,880
The Johns Hopkins University Issue, Series 2012A	June 14, 2012	153,150	2041	-	153,150
The Johns Hopkins University Issue, Series 2013B	June 20, 2013	99,625	2041	-	99,625
Subtotal		851,920		-	514,089
The Key School Issue (2016A)	July 21, 2016	15,999	2046	-	8,181
The Key School Issue (2016B)	July 21, 2016	501	2019	16	329
Subtotal		16,500		16	8,510
The SEED School of Maryland Issue (2010)	January 21, 2010	25,000	2037	180	21,415
The Union Hospital of Cecil County Issue (2012A)	July 18, 2012	9,924	2022	83	5,256
The Union Hospital of Cecil County Issue (2012B)	July 18, 2012	4,007	2022	37	2,332
Subtotal		13,931		120	7,588
The Vestry of Holy Trinity Parish Issue (2017)	March 29, 2017	3,481	2027	7	3,460
(Trinity Health Credit Group) Series 2017MD	January 19, 2017	30,065	2046	-	30,065
Trinity School Issue, Series 2013	January 24, 2013	6,450	2026	35	4,793
Union Hospital of Cecil County Issue (2014)	December 10, 2014	30,778	2039	10	30,468
University of Maryland Medical System Issue, Series 2007A	September 12, 2007	96,445	2034	2,765	82,330
University of Maryland Medical System Issue, Series 2008D	May 21, 2008	50,000	2041	-	50,000
University of Maryland Medical System Issue, Series 2008E	May 21, 2008	55,000	-	-	55,000
University of Maryland Medical System Issue, Series 2008F	July 23, 2008	87,345	2023	6,290	34,125
University of Maryland Medical System Issue, Series 2010	January 7, 2010	242,385	2039	6,200	56,635
University of Maryland Medical System Issue, Series 2013A	April 2, 2013	247,280	2043	3,600	228,195
University of Maryland Medical System Issue, Series 2013B (Taxable)	April 2, 2013	115,055	2043	-	115,055
University of Maryland Medical System Issue, Series 2015	May 21, 2015	80,145	2041	1,315	76,420
University of Maryland Faculty Physicians Issue (2015)	December 1, 2015	12,615	2031	55	11,560
University of Maryland Medical System Issue (2016A)	September 27, 2016	36,640	2034	1,190	35,450
University of Maryland Medical System Issue (2016B)	September 27, 2016	50,295	2041	-	50,295
University of Maryland Medical System Issue (2016C)	September 27, 2016	50,345	2041	-	50,345
University of Maryland Medical System Issue (2016D)	September 27, 2016	75,505	2041	-	75,505
University of Maryland Medical System Issue (2016E)	October 13, 2016	54,370	2039	925	53,445
University of Maryland Medical System Issue (2016F)	October 13, 2016	54,360	2039	925	53,435
University of Maryland Medical System Issue (2017A)	January 3, 2017	46,220	2042	1,085	45,135
University of Maryland Medical System Issue, Series 2017B	February 2, 2017	152,410	2039	2,350	150,060
University of Maryland Medical System Issue, Series 2017C (Taxable)	February 2, 2017	121,400	2029	4,405	116,995
Subtotal		1,627,815		31,105	1,339,985
Way Station Issue (2013)	May 2, 2013	7,200	2028	36	5,481
Western Maryland Health System Issue, Series 2014	November 19, 2014	236,170	2034	11,795	210,245
Total Outstanding		\$ 11,094,797		\$ 119,407	\$ 8,923,376

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, 2017 are as follows (in thousands of dollars):

Anne Arundel Health System Issue, Series 2009A	\$113,720
Charlestown Community Issue, Series 2010	116,310
College of Notre Dame of Maryland Issue, Series 1998	1,210
Doctors Community Hospital Issue, Series 2007A	15,880
Doctors Community Hospital Issue, Series 2007A	39,245
Doctors Community Hospital Issue, Series 2010 (partial redemption)	12,695
Doctors Community Hospital Issue, Series 2010 (2017A)	68,690
Greater Baltimore Medical Center Issue, Series 2011	32,480
Greater Baltimore Medical Center Issue, Series 2012A	32,205
Helix Health Issue, Series 1997	72,875
Johns Hopkins Health System Issue, Series 2010	148,195
Johns Hopkins Health System Issue, Series 2015D	31,815
LifeBridge Health Issue, Series 2008 (partial redemption)	25,415
LifeBridge Health Issue, Series 2011 (partial redemption)	41,570
Mercy Medical Center Issue, Series 2007A	144,660
University of Maryland Medical System Issue, Series 1991B	20,225
University of Maryland Medical System Issue, Series 2005	116,375
University of Maryland Medical System Issue, Series 2010	140,855
Upper Chesapeake Hospitals Issue, Series 2008C	47,215
Washington County Hospital Issue, Series 2008	235,500
Washington County Hospital Issue, Series 2008 Escrow Equity	<u>6,405</u>
Total	<u>\$1,463,540</u>

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