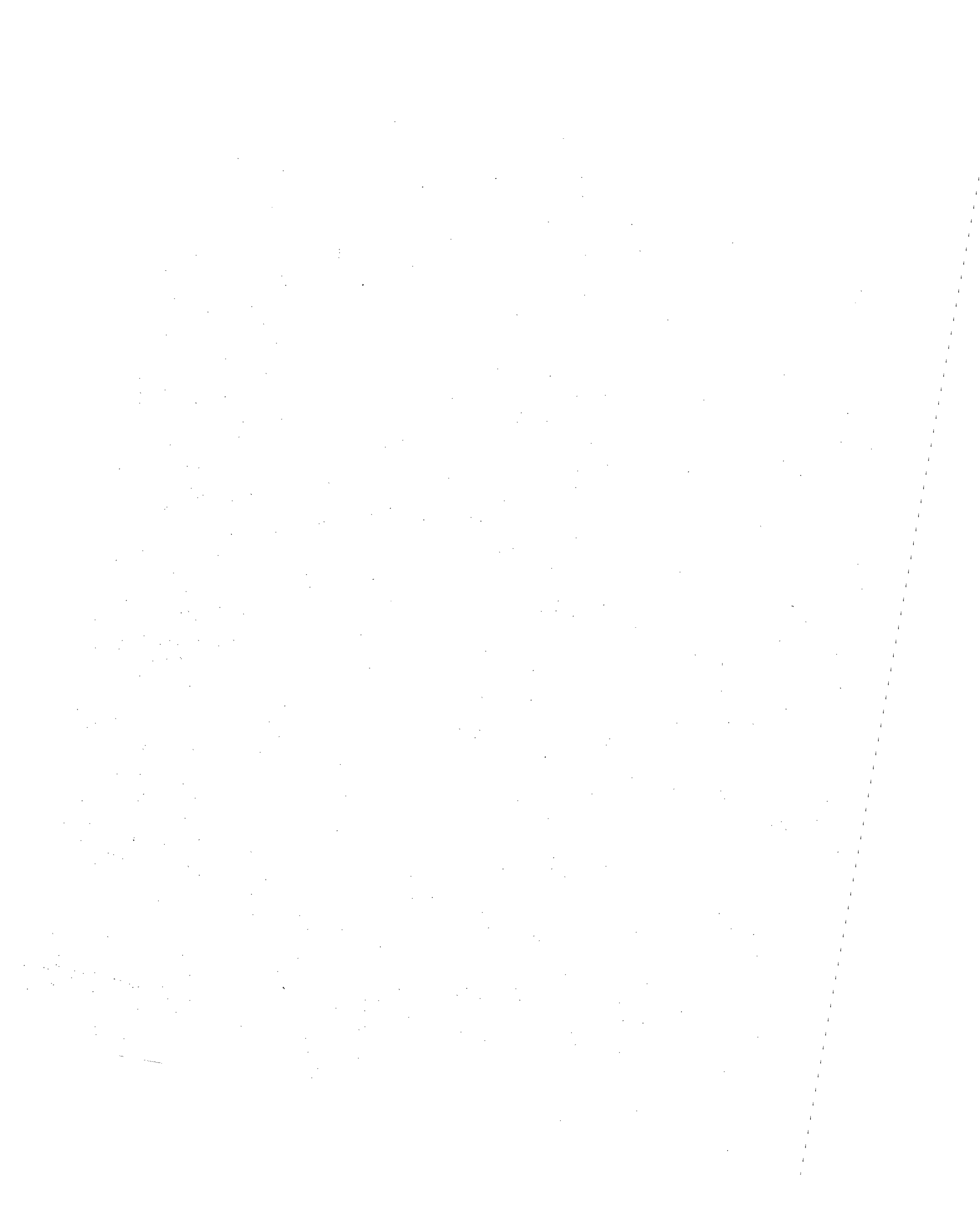


*Maryland Health and Higher
Educational Facilities Authority*

2011 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 noncollegiate schools are very important to our state's future.

The mission of the Authority is to assist non-profit educational institutions and hospitals and related healthcare organizations in financing the construction and acquisition of capital projects. In the pursuit of our goals, 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 construction, renovation and equipping of facilities for nonprofit hospitals, colleges, universities, noncollegiate 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 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 well being of the residents of our state.

Maryland Health and Higher Educational Facilities Authority

AUTHORITY MEMBERS

SHEILA K. RIGGS, *Chairman*

Term expires July 1, 2013; resident of Baltimore City; Trustee and former Chairman of the Board- The Maryland Institute, College of Art; former President and Chairman of the Board- Greater Baltimore Medical Center; former Trustee and Secretary of the Board- Bryn Mawr School; former co-Chairman-Baltimore Council on Foreign Affairs.

PAUL B. MERITT, *Vice Chairman*

Term expires July 1, 2014; resident of Baltimore County; Vice President- PNC Bank; and member- Maryland Capital Debt Affordability Committee; and Maryland Commission on State Debt.

NANCY K. KOPP, *ex officio*

Resident of Montgomery County; Treasurer of the State of Maryland; Chair- Maryland Capital Debt Affordability Committee; College Savings Plans of Maryland; and Board of Trustees of the Maryland State Retirement and Pension System; and member- Maryland Board of Public Works; Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans; Hall of Records Commission; Board of Revenue Estimates; and Maryland Commission on State Debt.

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

Term expires July 1, 2012; resident of Washington County; Associate Professor- College of Business, Frostburg State University; member- American Marketing Association; United States Association of Small Business and Entrepreneurship; and International Conference of Small Business.

THOMAS S. BOZZUTO, JR., *Member*

Term expires July 1, 2013; resident of Baltimore City; President, Bozzuto Development Company; member- Urban Land Institute Baltimore District Council Executive Committee; The Maryland Institute, College of Art Building and Grounds Committee.

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

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

FREDERICK W. MEIER, JR., *Member*

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

W. GAR RICHLIN, *Member*

Term expires July 1, 2013; resident of Howard County; President and Chief Operating Officer- Clearspring Technologies, Inc.; Principal- Richlin/Dale LLC; former President and Chief Operating Officer- Advertising.com; former Chief Operating Officer and Chief Financial Officer- SITEL Corporation; former Head of Investment Banking- Alex. Brown & Sons Incorporated; member Maryland Enterprise Investment Advisory Board; Trustee- Baltimore Symphony Endowment Trust; and former Director- Maryland Science Center; Howard County Health Alliance; and Baltimore Symphony Orchestra.

ARNOLD WILLIAMS, *Member*

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

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

AUTHORITY STAFF

ANNETTE ANSELM
Executive Director

WYATT SHIFLETT, II
Assistant Director

CONSTANCE McCREADY
Controller

LENA PRINCE
Senior Account Manager

MARY JANE LUPUS
Account Manager

KATHY RECH
Account Manager

STEPHANIE BURRELL
Executive Assistant

MEZERENA WELLS
Administrative Assistant

AUTHORITY CONSULTANTS

McKENNON SHELTON & HENN LLP
Bond Counsel

KILLARNEY ADVISORS, INCORPORATED
Financial Advisor

PUBLIC FINANCIAL MANAGEMENT, INC.
Financial Advisor

REZNICK GROUP, P.C.
Independent Auditors

MANAGEMENT CONSULTING SERVICES
Management Consultant

INDEPENDENT AUDITORS' REPORT

To the Members
Maryland Health and Higher Educational Facilities Authority

We have audited the accompanying balance sheet of Maryland Health and Higher Educational Facilities Authority (the Authority) as of June 30, 2011, and related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Authority as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 5 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 21 through 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 19, 2011

Reznick Group, P.C.

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

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 Government 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, liabilities and net assets. Assets represent the total of liabilities and net assets.
- **Statement of Revenues, Expenses and Changes in Net Assets-** This statement reflects the operating revenues and expenses, as well as non-operating revenues and expenses during the fiscal year. Operating revenue is generated from annual administrative fees and application fees charged to borrowers. Operating expense includes staff salaries and other expenses, as well as professional fees. The change in net assets 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 2011 the Authority issued and delivered 18 bond issues totaling more than \$499.6 million. The proceeds were used to purchase land; construct and acquire new facilities; renovate existing facilities; purchase equipment; and refund prior debt.
- During fiscal year 2011 the Authority also changed the basis on which interest is calculated on three bond issues with outstanding balances totaling more than \$36.5 million.

**Maryland Health and Higher Educational Facilities Authority -
Management's Discussion and Analysis (Continued)**

- Operating revenues increased by approximately \$116,000 due to the volume of new issues which resulted in higher annual administrative fees. The Authority funds its operations using a combination of annual administrative fees, application fees and investment income. Administrative fees are a maximum of one tenth of one percent of the par amount of debt issued per annum and the application fee is \$5,000. In FY 2011, the Authority waived 75% of the annual administrative fees chargeable to borrowing institutions for financings that were in place prior to FY 2008 and 70% for financings completed in FY 2008 and after.

- Operating expenses decreased by approximately \$29,000 due to the level of contractual services, legal services and professional fees paid directly by the Authority.

- The Authority had approximately \$8.656 billion of conduit debt outstanding at June 30, 2011. This is an approximately \$4.4 million decrease from June 30, 2010. A schedule of debt outstanding is included in the additional information to 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.

Financial Highlights

The following summarizes the financial position and results of operations of the Authority for the fiscal years ended June 30, 2011 and 2010 (in thousands of dollars):

	June 30, 2011	June 30, 2010
ASSETS	\$ 20,517	\$ 19,567
LIABILITIES AND NET ASSETS:		
LIABILITIES	\$ 157	\$ 154
NET ASSETS	20,360	19,413
TOTAL LIABILITIES AND NET ASSETS	\$ 20,517	\$ 19,567

Maryland Health and Higher Educational Facilities Authority -
Management's Discussion and Analysis (Continued)

	June 30, 2011	June 30, 2010
OPERATING REVENUES	\$ 2,575	\$ 2,459
OPERATING EXPENSES	1,913	1,942
OPERATING INCOME (LOSS)	662	517
NON-OPERATING REVENUES		
Net income from investments	413	478
Net increase (decrease) in fair value of investments	(128)	85
INCREASE IN NET ASSETS	947	1,080
Net assets, beginning of year	19,413	18,333
Net assets, end of year	\$ 20,360	\$ 19,413

Summary of Financings

During fiscal year 2011, the Authority issued:

Public Issues & Limited Offerings	\$ 329,150,000
Private Placements	170,532,014
	<u>\$ 499,682,014</u>

The following is a list of bonds issued during fiscal year 2011:

HEALTHCARE FINANCINGS:

\$15,000,000 University Physicians, Series 2010

A private placement for (a) the renovation of existing medical office buildings; and (b) the refunding of the Authority's Revenue Bonds, University Physicians Issue, Series 1994.

\$30,000,000 Kennedy Krieger Institute, Series 2010

A private placement for the refunding of a portion of the Authority's Revenue Bonds, Kennedy Krieger Issue, Series 2006.

\$40,770,000 Mercy Medical Center, Series 2011

A public offering for the refunding of a portion of the Authority's Revenue Bonds, Mercy Medical Center Issue, Series 2007B and Series 2007C.

\$50,695,000 LifeBridge Health, Series 2011

A public offering for (a) the construction of a new pediatric facility at Sinai Hospital; (b) the renovation and modernization of operating room space, pre-operating room space and a post-anesthesia care unit at Sinai Hospital; (c) the redevelopment of a residential complex with approximately 84 inpatient rooms at Levindale Hebrew Geriatric Center and Hospital; and (d) infrastructure improvements, installations and renovations at Northwest Hospital.

Maryland Health and Higher Educational Facilities Authority -
Management's Discussion and Analysis (Continued)

\$67,945,000 Greater Baltimore Medical Center, Series 2011

A public offering for (a) the financing or refinancing of renovations to existing facilities including the replacement of emergency generators and fuel tanks and the construction of a facility to house the emergency generators; and (b) the refunding of the Authority's Revenue Bonds, Greater Baltimore Medical Center Issue, Series 2009A and Series 2009B, a portion of the Authority's Revenue Bonds, Greater Baltimore Medical Center Issue, Series 2001 and the Authority's Refunding Revenue Bonds, Greater Baltimore Medical Center Issue, Series 1993.

\$34,890,000, Mercy Medical Center, Series 2011B

A private placement to finance the reissuance and re-designation of the Authority's Revenue Bonds, Mercy Medical Center Issue, Series 2007B Bonds and Series 2007C Bonds.

\$19,610,000 Kennedy Krieger Institute, Series 2011

A private placement for the refunding of a portion of the Authority's Revenue Bonds, Kennedy Krieger Issue, Series 2006.

EDUCATIONAL INSTITUTION FINANCINGS:

\$11,495,000 College of Notre Dame of Maryland, Series 2010

A public offering for (a) the construction of an addition to the Knott Science Center on the campus of the institution to house additional facilities for the School of Pharmacy; and (b) the refunding of a portion of the Authority's Revenue Bonds, College of Notre Dame of Maryland Issue, Series 1998.

\$33,250,000 Stevenson University, Series 2010

A public offering for (a) the construction of a new stadium and related office, locker and fitness facilities; (b) the construction of two new four-story residence halls for student housing; (c) the renovation of the existing gymnasium to create a School of Design and to other existing facilities; and (d) the reimbursement of expenditures.

RETIREMENT COMMUNITIES FINANCINGS:

\$12,000,000 Broadmead, Series 2010

A private placement for the (a) financing of internal renovations to existing facilities; and (b) refunding of the Authority's Project and Refunding Revenue Bonds, Broadmead Issue, Series 1997.

\$124,995,000 Charlestown Community Inc., Series 2010

A public offering for (a) the refunding of the Authority's Revenue Bonds, Charlestown Community Issue, Series 1998A (Tax-Exempt); and (b) the renovation of existing residential facilities and the construction of additional parking.

Maryland Health and Higher Educational Facilities Authority -
Management's Discussion and Analysis (Continued)

NON-COLLEGIATE SCHOOL FINANCINGS:

\$4,000,000 Baltimore Leadership School, Series 2010

A private placement for the acquisition, renovation, furnishing and equipping of a building which will be renovated and used as the site of a public charter school for girls.

\$14,915,000 Indian Creek School, Series 2010

A private placement for the refunding of the Authority's Revenue Bonds, Indian Creek School Issue, Series 2004 and the Anne Arundel County, Maryland Revenue Bond (The Indian Creek School Project), 1997 Series A.

\$5,300,000 Friends Community School, Series 2010

A private placement for (a) the renovation and equipping of the institution's existing school building; and (b) the refinancing of certain existing debt.

\$14,590,000 Park School, Series 2010

A private placement for the refunding of the loan to the institution under the Authority's Pooled Loan Program Revenue Bonds, Series D.

\$3,867,750 Christ Episcopal School, Series 2010

A private placement for the refinancing of certain existing debt.

\$6,245,000 St. Andrew's Episcopal School, Series 2010

A private placement for the refunding of the loan to the institution under the Authority's Pooled Loan Program Revenue Bonds, Series D.

\$10,114,264 Landon School, Series 2011

A private placement for the refunding of the Authority's Revenue Bonds, Landon School Issue, Series 1999 Bonds and the refinancing of certain existing debt.

Subsequent Bond Activity

Prior to June 30, 2011 the following bonds were authorized and subsequent to June 30, 2011, the bonds were issued:

\$3,200,000 Chesapeake Academy Issue (2011)

Subsequent to June 30, 2011 the following bonds were authorized and issued:

\$117,185,000 Adventist HealthCare, Series 2011A & B

Subsequent to June 30, 2011 the following bonds were authorized but not issued:

\$7,000,000 Green Acres School Issue (2011)

Management has evaluated the potential impact of subsequent events through September 19, 2011.

**Maryland Health and Higher Educational Facilities Authority -
Management's Discussion and Analysis (Continued)**

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 Sheet

June 30, 2011
(in thousands of dollars)

ASSETS

Current assets:

Cash and cash equivalents	\$	560
Non-capital investments at fair value		1,029
Interest receivable		78
Administrative fees receivable		4
Prepaid pension and other prepayments		48
Total current assets		1,719

Non-current assets:

Non-capital investments at fair value		18,715
Capital assets (net of accumulated depreciation of \$188)		83
TOTAL ASSETS	\$	20,517

LIABILITIES AND NET ASSETS BALANCES

Current liabilities:

Accounts payable and accrued expenses	\$	89
Total current liabilities		89

Non-current liabilities:

Non-current accrued vacation		68
Total non-current liabilities		68
TOTAL LIABILITIES		157

NET ASSETS

Invested in capital assets, net of related debt		83
Unrestricted net assets:		
Designated for operations		3,826
Designated for contingencies		16,451
TOTAL NET ASSETS		20,360
TOTAL LIABILITIES AND NET ASSETS	\$	20,517

The accompanying notes are an integral part of these financial statements.

**Maryland Health and Higher Educational Facilities Authority -
Statement of Revenues, Expenses and Changes in Net Assets**

For the year ended June 30, 2011
(in thousands of dollars)

OPERATING REVENUES	
Annual administrative fees	\$ 2,495
Application fees	80
TOTAL OPERATING REVENUES	2,575
OPERATING EXPENSES	
Salaries	792
Employees' insurance, pension and other fringe benefits	225
Payroll taxes	51
Professional fees	629
Office rent	95
Office supplies and expenses	88
Depreciation	33
TOTAL OPERATING EXPENSES	1,913
OPERATING INCOME	662
NON-OPERATING REVENUES	
Net income from investments	413
Unrealized loss on investments	(128)
INCREASE IN NET ASSETS	947
Net assets, beginning of year	19,413
Net assets, end of year	\$ 20,360

The accompanying notes are an integral part of these financial statements

Maryland Health and Higher Educational Facilities Authority -
Statement of Cash Flows

For the year ended June 30, 2011
(in thousands of dollars)

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Cash received from administrative and other fees	\$ 2,654
Cash payments to employees and employee benefits	(1,049)
Cash payments to suppliers for goods and services	(842)
Net cash provided by operating activities	763
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(47)
Net cash used in capital and financing activities	(47)
CASH FLOWS FROM INVESTING ACTIVITIES	
Note receivable principal payments	720
Investment income	443
Purchases of investments	(71,730)
Sales and maturities of investments	69,911
Net cash used in by investing activities	(656)
Net increase in cash and cash equivalents	60
Cash and cash equivalents, beginning of year	500
Cash and cash equivalents, end of year	\$ 560
RECONCILIATION OF OPERATING GAIN TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 662
ADJUSTMENTS TO RECONCILE OPERATING GAIN TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Depreciation	33
Administrative fees receivable	78
Prepaid pension and other prepayments	(13)
Accounts payable and accrued expenses	3
Net cash provided by operating activities	\$ 763

The accompanying notes are an integral part of these financial statements

Maryland Health and Higher Educational Facilities Authority -
Notes to Financial Statements

NOTE 1: ORGANIZATION AND ACCOUNTING POLICIES

Organization

The Maryland Health and Higher Educational Facilities Authority (the "Authority") was established to assist certain non-profit educational institutions, hospitals and related healthcare institutions in the financing and refinancing of projects approved by the Authority. 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 subdivision thereof or 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 accompanying financial statements are prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses 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). The Authority has adopted GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. Consequently, the Authority applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARBS of the Committee on Accounting Procedure issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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 market value.

Investments- Investments are reported at fair market value with net unrealized gains and losses reported as non-operating revenue in the statement of revenues, expenses and changes in net assets. Market values of investment securities are based on quoted market prices. Interest income is accrued on coupon securities from the last coupon date or purchase date and for securities (e.g., U.S. Treasury Bills) on the effective yield method. Realized gains and losses are recorded on the specific identification method and are computed as the difference between the proceeds of the sale and the original cost of the investments sold.

Maryland Health and Higher Educational Facilities Authority -
Notes to Financial Statements (Continued)

Investments are purchased to mature based on cash flow needs, however, investments may be liquidated in the event there are unanticipated cash flow needs.

Net Assets- *Net assets* represent the residual interest in the Authority's assets after liabilities are deducted. For external accounting and reporting purposes, net assets are classified in the following categories:

Invested in capital assets, net of related debt- capital assets, net of accumulated depreciation and outstanding principal balances of debt, if applicable, attributable to the acquisition, construction or improvement of those assets.

Unrestricted net assets- net assets that are not subjected to externally imposed stipulations. Unrestricted net assets 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 assets include an internal designation for operating expenses, maintained at two times the annual operating expenses of the Authority. At June 30, 2011 the designation was \$3,826,000. The Authority has also designated a portion of net assets to fund presently unidentified contingencies which is subject to a limitation equal to 1% of the total bonds outstanding at July 1, 2011. At June 30, 2011, the designated amount was \$16,451,000 which does not exceed the limitation of \$85,321,257.62.

Invested in Capital Assets- *Invested in capital assets* are recorded at cost and defined as assets with an individual cost of more than \$500 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	3 to 5 years
• Office equipment	5 to 10 years
• Automobiles	5 years
• Leasehold improvements	4 to 7 years

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

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

Maryland Health and Higher Educational Facilities Authority -
Notes to Financial Statements (Continued)

NOTE 2: 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, 2011, the amortized cost and fair values of investments are as follows (in thousands of dollars):

	AMORTIZED COST	GROSS UNREALIZED LOSSES	GROSS UNREALIZED GAINS	FAIR VALUE
Obligations of U.S. government agencies and instrumentalities	\$ 19,196	\$ 0	\$ 19	\$ 19,215
Money market accounts	529	0	0	529
Total	\$ 19,725	\$ 0	\$ 19	\$ 19,744

As of June 30, 2011, the amortized cost and fair value of investments at June 30, 2011, 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.

	FAIR VALUE	AMORTIZED COST
Due in one year or less	\$ 1,029	\$ 1,029
Due after one year through five years	16,420	16,401
Due after five years through ten years	2,295	2,295
Due after ten years	0	0
	\$ 19,744	\$ 19,725

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, 2011, 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

Maryland Health and Higher Educational Facilities Authority -
Notes to Financial Statements (Continued)

and rated in the highest rating category of a nationally recognized statistical rating organization.

As of June 30, 2011, the allocations by type of investment are as follows (in thousands of dollars):

<i>Asset</i>	<i>Fair Value</i>	<i>Percentage of Total</i>
Obligations of US Government Agencies:		
Federal Home Loan Banks	\$ 7,693	38.96%
Federal Home Loan Mortgage Corp	6,325	32.04%
Federal Farm Credit Banks	500	2.53%
Federal National Mortgage Association	4,697	23.79%
Money Market		
MTB US Treasury Fund	529	2.68%
Total	\$ 19,744	100.00%

As of June 30, 2011, the credit ratings by type of investment are as follows:

<i>Asset</i>	<i>Rating</i>	<i>Rating Agency</i>
Obligations of US Government Agencies:		
Federal Home Loan Banks	Aaa	Moody's
Federal Home Loan Mortgage Corp	Aaa	Moody's
Federal Farm Credit Banks	Aaa	Moody's
Federal National Mortgage Association	Aaa	Moody's
Money Market:		
MTB US Treasury Fund	Aaa	Moody's

NOTE 3: NOTE RECEIVABLE

The Authority made a loan to Kennedy Krieger Institute's Obligated Group for the purpose of assisting the Obligated Group Members, directly or indirectly, in obtaining funds with which to pay costs of certain facilities. As of June 30, 2011 the outstanding principal balance was \$0 and the loan had been retired. During fiscal year 2011, the Authority earned \$52 in interest on the note.

Maryland Health and Higher Educational Facilities Authority -
Notes to Financial Statements (Continued)

NOTE 4: COMMITMENTS AND CONTINGENCIES

The Authority has a lease commitment for office space through March 31, 2013. At June 30, 2011, the minimum rental commitments for office space over the next two years and in aggregate, are as follows:

2012	\$	100,166
2013		76,250
	\$	<u>176,416</u>

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 consisted of the following (in thousands of dollars):

Capital assets beginning of year	\$	257
Additions		47
Retirements		0
Capital assets end of year		<u>304</u>
Less accumulated depreciation end of year		<u>221</u>
Capital assets net of depreciation end of year	\$	<u>83</u>

The Authority recognized \$33,000 of depreciation expense during fiscal year 2011.

NOTE 6: PENSION PLAN

The Authority's employees participate in the State Retirement and Pension System of Maryland. The Authority's contribution is based upon a percentage of annual gross wages paid to employees. Employees of the Authority also make a contribution for benefits; the percentage of contributions, as determined by the State Retirement and Pension System of Maryland, was 7.3%, 4.9%, and 4.7% of gross wages for 2011, 2010 and 2009, respectively. The Authority's pension expense for 2011, 2010 and 2009 amounted to \$76,973, \$41,457, and \$35,030, respectively. The State Retirement and Pension System of Maryland plan information is publicly available from:

State Retirement & Pension System of Maryland
120 East Baltimore Street
Baltimore, MD 21202
www.sra.state.md.us

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 are generally expected to be paid with proceeds of refunding obligations (commercial paper). The lease and loan payments receivable by the bondholders 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 eligible equipment

Maryland Health and Higher Educational Facilities Authority -
Notes to Financial Statements (Continued)

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 the bonds and utilized by the institutions. Title to any buildings and other assets reverts to the institutions upon final payment of the respective bond issues. 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 and revenues of the related projects.

The following is a summary of conduit debt activity for the year ended June 30, 2011 (in thousands of dollars):

Bonds outstanding as of June 30, 2010	\$8,660,732
Plus: Bonds issued during FY 2011	499,682
Less: Redemptions and refundings during FY 2011	(504,053)
<u>Bonds outstanding as of June 30, 2011</u>	<u>\$8,656,361</u>

Maryland Health and Higher Educational Facilities Authority

**Additional
Information**

Maryland Health and Higher Educational Facilities Authority

The Authority is including the following additional information to provide information relating to funds held by third party trustees and escrow agents and outstanding debt for the Authority's conduit financings.

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

The Authority maintains books of accounts for the Debt Principal Account Group and the required Trusteed Funds of each of the issues of bonds and notes outstanding. Trusteed Funds are maintained by third party trustees or other fiscal agents in accordance with the requirements of the respective bond and note issue documents. The financial statements included in the additional information combine the 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 and the Debt Principal Account Group which relate to conduit debt:

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

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

Debt Service Funds- Account for the receipt and disbursement of monies for the payment of interest and principal on bonds and notes. All Debt Service, Bond and Loan Reserve Funds are included as Debt Service Funds.

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, Depreciation Reserve 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.

Debt Principal Account Group- Account for the portions of bonds, notes, and lease obligations payable and the principal and lease payments receivable from the institutions. The terms of the lease and loan agreements between the Authority and the institutions generally require payments in amounts necessary to service the interest and principal of the related bonds, notes and lease obligations outstanding. The principal and lease payments receivable from the institutions represent the minimum amount necessary, when combined with balances available within trusteed funds, to liquidate the principal portion of the related bonds, notes and lease obligations outstanding.

Maryland Health and Higher Educational Facilities Authority -
 Additional Information- Combined Balance Sheet of Conduit Debt

June 30, 2011

(in thousands of dollars)

CONSTRUCTION FUNDS **PROGRAM FUNDS**

ASSETS

Cash and cash equivalents	\$ 0	\$ 0
Investments at fair value	222,538	51,574
Interest receivable	130	64
Due from other funds	0	54
Accounts receivable	0	0
Principal and lease payments receivable	0	0
TOTAL ASSETS	\$ 222,668	\$ 51,692

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 0	\$ 215
Advance payments and deposits from institutions	0	0
Principal payable	0	0
Interest payable	0	0
Due to other funds	1,114	54
Bonds, notes and lease obligations payable	0	0
TOTAL LIABILITIES	1,114	269

RESTRICTED NET ASSETS

Reserved for debt service	0	0
Reserved for loans under Pooled Loan Program	0	51,423
Designated for specific projects	221,554	0
Designated for operations	0	0
TOTAL NET ASSETS BALANCES	221,554	51,423
TOTAL LIABILITIES AND NET ASSETS	\$ 222,668	\$ 51,692

<i>DEBT SERVICE FUNDS</i>	<i>DEBT SERVICE RESERVE FUNDS</i>	<i>PROJECT RESERVE FUNDS</i>	<i>REDEMPTION FUNDS</i>	<i>DEBT PRINCIPAL ACCOUNT GROUP</i>	<i>TOTAL</i>
\$ 2,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,330
211,817	280,385	13,773	12,880	0	792,967
2	1,140	4	2	0	1,342
1,793	0	0	0	0	1,847
32,105	0	0	0	0	32,105
0	0	0	0	8,656,361	8,656,361
\$ 248,047	\$ 281,525	\$ 13,777	\$ 12,882	\$ 8,656,361	\$ 9,486,952
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 215
2,515	0	0	0	0	2,515
111,699	0	0	12,565	0	124,264
108,062	0	0	314	0	108,376
0	679	0	0	0	1,847
0	0	0	0	8,656,361	8,656,361
222,276	679	0	12,879	8,656,361	8,893,578
25,771	280,846	0	3	0	306,620
0	0	0	0	0	51,423
0	0	0	0	0	221,554
0	0	13,777	0	0	13,777
25,771	280,846	13,777	3	0	593,374
\$ 248,047	\$ 281,525	\$ 13,777	\$ 12,882	\$ 8,656,361	\$ 9,486,952

Maryland Health and Higher Educational Facilities Authority -
 Additional Information- Combined Statement of Changes in Net Assets
 of Conduit Debt

For the year ended June 30, 2011 (in thousands of dollars)	CONSTRUCTION FUNDS	PROGRAM FUNDS
Net assets, June 30, 2010	\$ 346,921	\$ 40,450
ADDITIONS		
Proceeds from sale of bonds and notes:		
Gross proceeds	530,530	0
Underwriters' discount	(2,394)	0
Original issuance discount	(3,613)	0
Interest accrued to date of delivery	0	0
Payments and contributions received from and on behalf of institutions		
	0	0
Lease and loan payments	0	0
Debt service- interest	0	0
Unrealized gain/(loss) on investments	188	1,066
Income from investments	1,240	(929)
Original issue premium	294	0
Total additions	526,245	137
DEDUCTIONS		
Project and financing costs	312,605	926
Principal (including July 1, 2011 installments funded at June 30, 2011)	14,671	0
Interest	5	0
Required payments to institutions	0	0
Retirement of bonds	0	0
Total deductions	327,281	926
INTERFUND TRANSFERS	(324,331)	11,762
Net Assets balances, June 30, 2011	\$ 221,554	\$ 51,423

DEBT SERVICE FUNDS	DEBT SERVICE RESERVE FUNDS	PROJECT RESERVE FUNDS	REDEMPTION FUNDS	TOTAL
\$ 23,430	\$ 278,719	\$ 28,455	\$ 2,796	\$ 720,771
166,400	13,105	0	0	710,035
0	0	0	0	(2,394)
0	0	0	0	(3,613)
9	0	0	0	9
246	333	14,357	0	14,936
243,930	0	0	0	243,930
253,456	0	0	5	253,461
(3)	662	(7)	0	1,906
180	4,252	38	16	4,797
0	0	0	0	294
664,218	18,352	14,388	21	1,223,361
189	2,824	0	0	316,544
565,061	573	0	78,920	659,225
292,783	0	0	567	293,355
10	0	0	0	10
0	0	0	81,625	81,625
858,043	3,397	0	161,112	1,350,759
196,166	(12,828)	(29,066)	158,298	1
\$ 25,771	\$ 280,846	\$ 13,777	\$ 3	\$ 593,374

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

As of June 30, 2011, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	FINAL MATURITY	AMOUNT ISSUED	BONDS AND NOTES PAYABLE JULY 1, 2011	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2011
PUBLIC OFFERINGS				
Pooled Loan Program, Series 1985A and 1985B, dated December 1, 1985	2035	\$ 175,000	\$ 0	\$ 175,000
The Johns Hopkins Hospital, Series 1990, dated January 1, 1990	2019	90,169	9,370	54,850
University of Maryland Medical System, Series 1991B, dated January 1, 1991	2022	38,670	0	27,315
The Johns Hopkins Medical Institutions Parking Facilities, Series 1996, dated January 1, 1996	2026	42,425	225	27,295
Mercy Medical Center, Series 1996, dated January 1, 1996	2026	30,000	880	20,135
Loyola College, Series 1996B, dated October 1, 1996	2013	14,900	0	3,900
Stella Maris, Series 1997, dated January 1, 1997	2021	21,985	1,000	13,255
Kennedy Krieger, Series 1997, dated November 1, 1997	2022	13,670	580	8,850
Catholic Health Initiatives, Series 1997B, (St. Joseph Medical Center), dated November 25, 1997	2015	30,500	0	10,000
Calvert Memorial Hospital, Series 1998, dated January 1, 1998	2026	27,860	750	20,390
JHM/Howard County General Hospital Acquisition, Series 1998, dated June 1, 1998	2030	133,910	2,800	112,580
PUMH of Maryland, Inc. (Heron Point of Chestertown), Series 1998A & B, dated June 15, 1998	2026	35,115	0	21,150
Green Acres School, Series 1998, dated August 5, 1998	2028	4,460	120	3,330
Anne Arundel Medical Center, Series 1998, dated July 1, 1998	2033	69,840	1,435	58,980
Maryland Institute College of Art, Series 1998, dated July 15, 1998	2029	17,950	0	13,555
College of Notre Dame of Maryland, Series 1998, dated September 1, 1998	2023	11,995	0	4,210
Memorial Hospital at Easton, Series 1998, dated October 1, 1998	2019	33,470	1,915	19,200
Medlantic/Helix, Series 1998A, dated December 1, 1998	2038	166,605	0	154,965
Medlantic/Helix, Series 1998B, dated December 1, 1998	2038	116,910	0	103,320
Kaiser Permanente, 1998 Series A, dated December 1, 1998	2015	12,825	0	12,825
Roland Park Place, Series 1999, dated May 1, 1999	2024	34,195	1,300	25,185
Loyola College, Series 1999, dated June 1, 1999	2039	33,355	0	33,355
Glen Meadows Retirement Community, Series 1999A & B, dated August 25, 1999	2029	20,410	465	16,720
Catholic Health Initiatives, Series 2000 A, dated March 1, 2000	2024	23,455	0	4,550
Mercy Ridge, Series 2000, dated March 1, 2000	2031	69,305	0	25,000
The Bullis School, Series 2000, dated November 28, 2000	2030	20,400	520	16,935
The Johns Hopkins University, Series 2001A, dated March 15, 2001	2013	20,355	2,415	8,360
The McLean School, Series 2001, dated May 30, 2001	2031	9,080	200	7,595
The Johns Hopkins Hospital, Series 2001, dated August 29, 2001	2034	101,355	0	82,060
The Johns Hopkins Medical Institutions Parking Facilities, Series 2001, dated August 29, 2001	2034	28,030	595	24,785
The Johns Hopkins University, Series 2001B, dated August 30, 2001	2041	85,775	0	85,775
University of Maryland Medical System, Series 2001, dated December 5, 2001	2034	100,000	1,275	0

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

As of June 30, 2011, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	FINAL MATURITY	AMOUNT ISSUED	BONDS AND NOTES PAYABLE JULY 1, 2011	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2011
Greater Baltimore Medical Center, Series 2001, dated December 6, 2001	2034	\$ 52,830	\$ 12,565	\$ 40,265
Mercy Medical Center, Series 2001, dated December 12, 2001	2031	49,480	0	49,480
University of Maryland Medical System, Series 2002, dated January 30, 2002	2032	57,655	1,355	1,430
The Johns Hopkins University, Series 2002A, dated February 13, 2002	2032	106,725	0	106,725
Board of Child Care, Series 2002, dated May 8, 2002	2032	39,280	1,790	25,765
Carroll County General Hospital, Series 2002, dated June 13, 2002	2037	91,760	1,375	83,940
Hebrew Home of Greater Washington, Series 2002, dated June 19, 2002	2032	13,140	0	11,355
Holton Arms School, Series 2002, dated June 20, 2002	2032	21,000	0	19,700
Frederick Memorial Hospital, Series 2002, dated July 15, 2002	2035	71,715	875	67,645
Union Hospital of Cecil County, Series 2002, dated October 15, 2002	2032	24,000	520	20,055
Adventist HealthCare, Series 2003A, dated February 15, 2003	2025	22,925	0	19,780
Adventist HealthCare, Series 2003B, dated February 27, 2003	2033	39,560	0	32,355
The Johns Hopkins Hospital, Series A, dated March 6, 2003	2013	54,310	0	210
Kennedy Krieger, Series 2003, dated April 27, 2003	2033	24,490	685	20,900
Sheppard Pratt, Series 2003A, dated May 1, 2003	2036	45,590	1,295	36,540
Sheppard Pratt, Series 2003B, dated May 1, 2003	2028	45,550	625	42,450
University of Maryland Medical System, Series 2004B, dated January 22, 2004	2024	36,175	1,475	26,690
MedStar Health, Series 2004, dated February 3, 2004	2033	170,350	0	163,325
Anne Arundel Health System, Series 2004A & B, dated February 19, 2004	2034	89,820	565	21,880
The Johns Hopkins University, Series 2004A, dated April 21, 2004	2038	92,505	0	92,505
The Johns Hopkins Medical Institutions Parking Facilities, Series 2004, dated April 26, 2004	2034	35,665	20	35,015
Suburban Hospital, Series 2004, dated June 3, 2004	2029	72,445	2,200	15,705
Calvert Health System, Series 2004, dated July 8, 2004	2039	32,925	100	32,535
Goucher College, Series 2004, dated August 18, 2004	2034	21,855	0	21,855
Adventist HealthCare, Series 2004A & B, dated September 14, 2004	2035	85,985	0	54,260
French International School, Series 2004, dated September 30, 2004	2034	14,000	0	12,900
The Johns Hopkins Medical Institutions Parking Facilities, Series 2004B, dated December 1, 2004	2038	33,035	1,305	29,095
Civista Medical Center, Series 2005, dated February 17, 2005	2037	59,000	590	56,740
The Johns Hopkins University, Series 2005A, dated March 3, 2005	2036	69,265	0	69,265
The Johns Hopkins Medical Institutions Utilities, Series 2005A & B, dated June 29, 2005	2037	48,845	0	48,845
Union Hospital of Cecil County, Series 2005, dated July 14, 2005	2040	33,675	0	33,675
Pickersgill, Series 2005A & B, dated September 15, 2005	2035	37,000	0	34,475

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

As of June 30, 2011, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>FINAL MATURITY</i>	<i>AMOUNT ISSUED</i>	<i>BONDS AND NOTES PAYABLE JULY 1, 2011</i>	<i>BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2011</i>
University of Maryland Medical System, Series 2005, dated October 10, 2005	2031	\$ 149,700	\$ 2,900	\$ 135,690
Villa Julie College, Series 2005, dated December 15, 2005	2030	95,560	1,485	84,105
Adventist HealthCare, Series 2005A & B, dated December 20, 2005	2035	142,590	0	137,330
Loyola College, Series 2006A, dated January 4, 2006	2045	62,995	0	62,995
Maryland Institute College of Art, Series 2006, dated January 5, 2006	2040	30,740	0	30,740
Peninsula Regional Medical Center, Series 2006, dated February 2, 2006	2036	142,910	2,705	130,700
Edenwald, Series 2006, dated July 6, 2006	2037	80,365	0	52,875
University of Maryland Medical System, Series 2006A, dated November 9, 2006	2041	45,000	0	45,000
Western Maryland Health System, Series 2006A&B, dated November 14, 2006	2026	350,830	3,515	328,965
Severn School, Series 2006, dated November 15, 2006	2036	10,500	205	7,915
Carroll Hospital Center, Series 2006, dated December 7, 2006	2040	35,000	0	35,000
Washington Christian Academy, Series 2006, dated December 13, 2006	2038	30,000	0	30,000
Doctors Community Hospital, Series 2007, dated January 4, 2007	2029	77,685	2,385	68,665
King Farm Presbyterian Retirement Community, Series 2007, dated January 11, 2007	2037	174,590	0	84,590
MedStar Health, Series 2007, dated January 31, 2007	2046	144,985	0	144,985
Mercy Ridge, Series 2007, dated March 22, 2007	2035	23,445	410	22,235
Maryland Institute College of Art, Series 2007, dated June 27, 2007	2042	38,740	0	37,385
Bishop McNamara High School, Series 2007, dated August 8, 2007	2032	8,000	190	7,070
University of Maryland Medical Center, Series 2007A&B, dated September 12, 2007	2034	137,795	100	137,220
Goucher College, Series 2007, dated October 31, 2007	2037	31,285	805	28,955
Mercy Medical Center, Series 2007A - D, dated November 8, 2007	2042	305,000	1,380	201,120
Gaudenzia Foundation, Series 2007, dated December 12, 2007	2028	5,500	300	4,385
LifeBridge Health, Series 2008, dated January 17, 2008	2047	285,815	2,685	275,195
Washington County Hospital, Series 2008, dated February 12, 2008	2043	264,300	0	264,300
Woodmont Academy, Series 2008, dated March 12, 2008	2038	15,105	50	15,030
Odenton Christian School, Series 2008, dated March 19, 2008	2033	3,590	0	3,535
The Johns Hopkins Health System Obligated Group, Series 2008A, dated April 23, 2008	2027	12,215	0	11,050
Howard County General Hospital, Series 2008, dated May 8, 2008	2046	40,000	0	40,000
University of Maryland Medical System, Series 2008A-E, dated May 21, 2008	2041	280,000	0	280,000
The Johns Hopkins Health System Obligated Group, Series 2008B, dated June 26, 2008	2048	144,740	0	144,740
Frederick Memorial Hospital, Series 2008, dated July 9, 2008	2035	72,160	1,000	71,060
DeMatha Catholic High School, Series 2008, dated July 15, 2008	2038	9,865	185	9,505

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

As of June 30, 2011, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	FINAL MATURITY	AMOUNT ISSUED	BONDS AND NOTES PAYABLE JULY 1, 2011	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2011
University of Maryland Medical System, Series 2008F, dated July 23, 2008	2023	\$ 87,345	\$ 5,805	\$ 69,980
Stevenson University, Series 2008, dated July 24, 2008	2035	23,500	305	22,895
The Johns Hopkins University, Series 2008A & B, dated August 7, 2008	2038	255,735	9,385	245,580
Upper Chesapeake Hospitals, Series 2008A & B, dated August 8, 2008	2043	63,910	0	119,880
Upper Chesapeake Hospitals, Series 2008C, dated August 8, 2008	2038	55,015	0	53,365
Loyola College in Maryland, Series 2008, dated August 17, 2008	2026	46,370	0	43,845
Chimes, Series 2008, dated October 31, 2008	2033	5,610	135	5,130
Suburban Hospital, Series 2008, dated November 19, 2008	2029	58,515	1,435	54,855
Anne Arundel Medical Center, Series 2009A, dated January 29, 2009	2039	120,000	0	120,000
Anne Arundel Medical Center, Series 2009B, dated February 19, 2009	2043	60,000	0	60,000
DeMatha Catholic High School, Series 2008 (2nd delivery), dated June 10, 2009	2038	9,110	170	8,780
University of Maryland Medical System, Series 2010, dated January 7, 2010	2039	242,385	5,285	231,925
Anne Arundel Health System, Series 2010, dated February 3, 2010	2038	85,410	2,580	82,830
Carnegie Institute of Washington, Series 2010, dated February 4, 2010	2040	30,580	0	30,580
Patterson Park Public Charter School, Series 2010A & B, dated March 16, 2010	2045	13,665	0	13,665
Doctors Community Hospital, Series 2010, dated May 18, 2010	2038	82,670	0	82,670
Johns Hopkins Health System, Series 2010, dated June 16, 2010	2040	148,195	0	148,195
College of Notre Dame of Maryland, Series 2010, dated November 24, 2010	2035	11,495	0	11,495
Charlestown Community Inc., Series 2010, dated December 15, 2010	2045	124,995	0	124,995
Stevenson University, Series 2010, dated December 16, 2010	2037	33,250	0	33,250
Mercy Medical Center, Series 2011, dated February 24, 2011	2031	40,770	0	40,770
LifeBridge Health, Series 2011, dated March 30, 2011	2041	50,695	0	50,695
Greater Baltimore Medical Center, Series 2011, dated April 20, 2011	2034	67,945	0	67,945
Public Offerings Outstanding		8,294,699	98,585	7,178,450
PRIVATE PLACEMENTS AND LIMITED OFFERINGS				
Pooled Loan Program, Series D (1994), dated January 1, 1994	2039	\$ 418,516	\$ 3,225	\$ 118,557
Greater Baltimore Medical Center, Series 1995, dated July 1, 1995	2025	10,000	330	6,415
Capitol College, Series 1995, dated July 1, 1995	2020	8,000	175	4,500
The Norwood School, Series 1998, dated November 1, 1998	2025	10,505	0	2,980
Washington Episcopal School, Series 1999, dated January 28, 1999	2029	11,768	22	9,844
Washington Episcopal School, Series 1999 (Taxable), dated January 26, 1999	2029	632	1	467
Barnesville School, Series 1999, dated March 9, 1999	2024	3,790	0	2,065
Charles E. Smith Jewish Day School, 1999 Issue, dated June 1, 1999	2029	12,600	11	3,797

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

As of June 30, 2011, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	FINAL MATURITY	AMOUNT ISSUED	BONDS AND NOTES PAYABLE JULY 1, 2011	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2011
The Johns Hopkins University, Commercial Paper, Series A	2031	\$ 200,000	\$ 0	\$ 123,567
The Johns Hopkins University, Commercial Paper, Series B	2029	200,000	2,082	131,961
Trinity School, Series 2001, dated October 31, 2001	2026	9,000	25	6,930
St. Anne's Day School Issue, dated November 8, 2001	2026	4,300	0	3,277
Community Support Services Issue, dated December 10, 2001	2031	2,660	0	764
St. John's Episcopal Day School Issue, dated December 21, 2001	2032	7,000	11	6,242
The Johns Hopkins Hospital, Series 2003C, dated March 6, 2003	2013	14,515	0	200
The Johns Hopkins Health System, Commercial Paper, Series A	2022	75,165	1,115	53,510
The Johns Hopkins Health System, Commercial Paper, Series B	2024	101,240	3,815	82,145
The Johns Hopkins Health System, Commercial Paper, Series C	2023	60,000	10,000	50,000
Friends School of Baltimore, Series 2004, dated April 1, 2004	2029	7,500	0	6,395
Chesapeake Academy, Series 2004, dated September 29, 2004	2026	2,600	8	2,149
Washington County Hospital Association Lease (2005), dated April 19, 2005	2012	2,812	36	408
Stone Ridge School, Series 2005, dated June 22, 2005	2035	12,000	204	10,888
Mt. Airy Christian Academy (2005), dated August 26, 2005	2031	2,500	4	1,272
Chester River Hospital Center Lease (2006), dated February 4, 2006	2013	3,953	51	1,170
Gilman School, Series 2006, dated June 1, 2006	2036	30,000	0	30,000
Mercy Medical Center, Series 2006, dated August 3, 2006	2036	35,000	595	33,315
College of Notre Dame Lease (2006), dated September 7, 2006	2011	2,500	45	230
St. Mary's County Hospital Lease (2006), dated December 12, 2006	2016	8,201	0	3,338
Charles County Nursing and Rehabilitation Center, Series 2007, dated June 1, 2007	2037	3,900	0	3,635
Adventist HealthCare Lease (2007), dated June 14, 2007	2012	12,000	0	2,611
Archdiocese of Baltimore Schools, Series 2007, dated June 21, 2007	2037	24,165	71	23,670
Keswick Multi-Care Center, Series 2007, dated August 9, 2007	2037	11,520	0	11,520
Mercy Medical Center, Series 2007B & C (converted) dated November 8, 2007	2024	30,000	0	30,000
Loyola College in Maryland, Series 2007, dated December 6, 2007	2023	11,000	0	9,880
Beth Tfiloh Dahan Community School, Series 2007, dated December 18, 2007	2037	15,000	0	15,000
The Johns Hopkins Health System, Commercial Paper, Series D	2025	40,000	0	40,000
The Johns Hopkins Health System, Commercial Paper, Series E&F	2025	168,650	0	168,650
Mercy Medical Center, Series 2008 (converted), dated July 16, 2008	2022	35,325	2,160	29,825
Adventist HealthCare Lease (2008), 2nd tranche, dated October 16, 2008	2013	8,000	0	3,925
Health Care for the Homeless, Series 2008, dated November 6, 2008	2033	7,000	0	1,500

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

As of June 30, 2011, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	FINAL MATURITY	AMOUNT ISSUED	BONDS AND NOTES PAYABLE JULY 1, 2011	BONDS AND NOTES PAYABLE SUBSEQUENT TO JULY 1, 2011
Augsburg Lutheran Home, Series 2009, dated August 7, 2009	2036	\$ 20,600	\$ 40	\$ 18,637
The Boys' Latin School of Maryland, Series 2009, dated August 26, 2009	2038	19,830	31	17,979
Roland Park Country School, Series 2009, dated October 7, 2009	2037	17,400	0	6,960
Bryn Mawr School, Series 2009, dated October 14, 2009	2037	7,350	0	7,220
CMROC LLP Lease (2009), dated October 14, 2009	2014	5,260	0	3,604
Annapolis Life Care, Series 2009A, dated November 4, 2009	2040	30,000	40	29,090
Sheppard Pratt (2009), dated December 17, 2009	2035	30,000	378	22,555
Annapolis Life Care, Series 2010, dated January 4, 2010	2040	15,266	19	14,920
The SEED School of Maryland, Series 2010, dated January 21, 2010	2037	25,000	0	22,784
Oldfields School, Series 2010, dated April 14, 2010	2019	2,985	0	2,985
Carroll Hospital Center (2010), dated June 30, 2010	2040	15,000	0	14,043
Broadmead (2010), dated July 14, 2010	2035	12,000	906	9,871
Baltimore Leadership School (2010), dated August 11, 2010	2020	4,000	28	3,779
Indian Creek School, Series 2010, dated September 15, 2010	2035	14,915	30	14,590
Friends Community School (2010), dated November 23, 2010	2020	5,300	11	5,204
Park School (2010), dated December 1, 2010	2035	14,590	33	13,162
Christ Episcopal School (2010), dated December 20, 2010	2035	3,868	0	3,829
University Physicians (2010), dated December 29, 2010	2031	15,000	50	5,427
St. Andrew's Episcopal School (2010), dated December 29, 2010	2035	6,245	12	6,160
Kennedy Krieger Institute (2010), dated December 30, 2010	3036	30,000	36	29,710
Landon School (2011), dated June 2, 2011	2028	10,114	50	10,065
Mercy Medical Center, Series 2011B, dated June 9, 2011	2037	34,890	0	34,890
Kennedy Krieger Institute (2011), dated June 23, 2011	2036	19,610	0	19,610
Private Placements and Limited Offerings Outstanding		1,982,540	25,650	1,353,676
Total Outstanding		\$ 10,277,239	\$ 124,235	\$ 8,532,126

