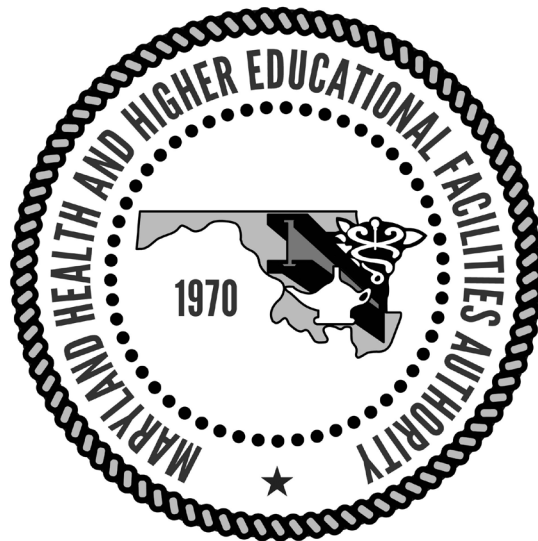


# *Maryland Health and Higher Educational Facilities Authority*



2021 ANNUAL REPORT





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# Maryland Health and Higher Educational Facilities Authority

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*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 this goal, the Authority strives 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 expires July 1, 2024; resident of Baltimore County; Managing Director – Abrams Foster, Nole & Williams, P.A.; Immediate Past Chairman of the Board – Baltimore Development Corporation; Chairman – Neighborhood Impact Investment Fund; Board member – Lexington Market, Inc., Baltimore Public Markets, Inc., Baltimore City Board of Finance, MNR Industries, Inc., and The Greater Baltimore Committee; member – Maryland Association of Certified Public Accountants, American Institute of Certified Public Accountants, and National Association of Black Accountants; former Board Chairman – Bon Secours Health Systems, Inc.; former member – Baltimore City Chamber of Commerce; Past Chair and former member – Maryland State Board of Accountancy; and Emeritus member – The Presidents' Roundtable.

### **SHEILA K. RIGGS, *Vice-Chairman***

Term expires July 1, 2023; resident of Baltimore City; former Trustee and 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 Board of Revenue Estimates.

### **ROBERT D. KUNISCH, *Member***

Term expires July 1, 2023; resident of Baltimore County; President & Chief Operating Officer – Howard Bank; Director – Howard Bancorp; Trustee – Stevenson University and St. Ignatius Loyola Academy; Director – Maryland Bankers Association; and Maryland Daily Record's 2020 Influential Marylanders.

### **FREDERICK W. MEIER, JR., *Member***

Term expires July 1, 2025; resident of Baltimore City; Senior Advisor – Lord Baltimore Capital Partners; former Executive Vice President – First Maryland Bancorp; Director – Rodney Trust Company, Attransco, and AMA Capital Partners; member – 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 Director and Board Member – Provident Bankshares; 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. (Chile).

### **MAMIE JOHNS PERKINS, *Member***

Term expires July 1, 2022; resident of Howard County; Retired Deputy Superintendent of Howard County Public Schools; former Interim Superintendent of Anne Arundel County Public School System; Chair and former member – Board of Trustees of Howard County Community College; former member of Horizon Foundation of Howard County and Grassroots Board of Howard County; former Board member of numerous educational and non-profit organizations; and Leadership Mentor – Anne Arundel County Public School System.

## Maryland Health and Higher Educational Facilities Authority

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### JOHN PHELPS, *Member*

Term expires July 1, 2024; resident of Baltimore County; President and CEO – Carroll Independent Fuel Company/ Highs of Baltimore LLC; former member and Chairman – Citgo Petroleum National Distributor Council; former member – Mobil Oil National Jobber Council, British Petroleum U.S. Distributor Council, and Sunoco Refining Jobber Council; Chairman Board of Trustees – Saint Frances Academy; member – M&T Bank Mid Atlantic Advisory Board; and Chairman – Parish Council Chairman Our Lady of Grace Catholic Church.

### BONNIE PHIPPS, *Member*

Term expires July 1, 2026; resident of Baltimore County; former Senior Vice President and Ministry Market Leader – Ascension Health (St. Louis, Missouri); former President and CEO – St. Agnes Healthcare (Baltimore, Maryland) and Saint Joseph’s Health System (Atlanta, Georgia ); member of the Board of Directors – Charlestown Retirement Community and University of Maryland Medical System; member of the Board of Financial Administration- Archdiocese of Baltimore and Y of Central Maryland; and member – Healthcare Financial Management Association; CPA and Fellow in HFMA (FHFMA).

### W. DANIEL WHITE, *Member*

Term expires July 1, 2025; resident of Baltimore County; retired Executive Vice President, Assistant Secretary, Assistant Treasurer and member of the Board of Directors – The Whiting–Turner Contracting Company; Board Member – Notre Dame Preparatory High School; and Maryland Family Network; former Board member of numerous educational, economic development and non-profit organizations.

**AUTHORITY STAFF**

BARLOW T. SAVIDGE  
*Executive Director*

LYNN GORMAN-LEPSON  
*Chief Financial Officer*

STEPHANIE BURRELL  
*Office Manager*

LENA PRINCE  
*Senior Account Manager*

MARY JANE LUPUS  
*Account Manager*

KATHY RECH  
*Account Manager*

**AUTHORITY CONSULTANTS**

McKENNON SHELTON & HENN LLP  
*Bond Counsel*

PFM FINANCIAL ADVISORS, LLC  
*Financial Advisor*

WYE RIVER GROUP  
*Financial Advisor*

COHNREZNICK LLP  
*Independent Auditors*

MANAGEMENT CONSULTING SERVICES  
*Management Consultant*

ANNETTE ANSELM  
*Community Outreach Consultant*



# Maryland Health and Higher Educational Facilities Authority

## Report of Independent Auditors

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CohnReznick LLP  
cohnreznick.com



### Independent Auditor's Report

To the Authority 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, 2021 and 2020, 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 audit 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, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*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 14, 37 and 38 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 39 through 52 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*CohnReznick LLP*

Baltimore, Maryland  
September 14, 2021

## 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, capital and related 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 2021 and 2020, the Authority issued and delivered 11 and 23 bond issues totaling approximately \$1,012 million and \$784 million, respectively. The approximately \$228 million increase in fiscal year 2021 is primarily due to a large issue for the University of Maryland Medical System which refunded outstanding bonds for debt service savings and provided funds for important healthcare projects. The approximately \$556 million increase in fiscal year 2020 from the total issued in fiscal year 2019 is primarily due to an increase in new project funding and institutions refunding debt to achieve debt service savings.
- In fiscal year 2021, operating revenues decreased by approximately \$53,000 due primarily to a decrease in application fees. In fiscal year 2020, operating revenues increased by approximately \$7,000 in comparison to fiscal year 2019 due primarily to an increase in application fees. The Authority funds its operations using administrative fees, application fees and non-operating investment income. The application fee for fiscal year 2021 and 2020 was \$5,000, respectively. The Authority has discontinued charging application fees beginning in fiscal year 2022. Administrative fees may be set at a maximum of one tenth of one percent of the par amount of debt issued. In fiscal year 2021 and 2020, the Authority continued to waive 75% of the 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.
- In fiscal year 2021, operating expenses increased by approximately \$114,000. The increase was primarily related to the increase in the Authority's portion of the state's net pension liability in the amount of \$334,000 which is a noncash expense. This increase was offset by a \$91,000 decrease in salaries expense due to the overlap in both the Executive Director and CFO positions in fiscal year 2020. There was also a \$59,000 decrease in professional fees for financial advisor services resulting from a decrease in the volume of public bond issues by the Authority in fiscal year 2021. In fiscal year 2020, operating expenses increased by approximately \$262,000 due primarily to a \$142,000 increase in salaries expense due to the overlap in both the Executive Director and Chief Financial Officer positions to ensure successful transitions. There was also an \$87,000 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 2020.
- The Authority had approximately \$8.5 billion and \$8.3 billion of conduit debt outstanding at June 30, 2021 and June 30, 2020, 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

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- During fiscal year 2020, the Authority approved a Community Outreach Program (“Program”). The purpose of the Program is to assist nonprofit health and educational institutions in obtaining financing for facilities in underserved Maryland areas. The Program’s guidelines stipulate that the support would be limited to \$500,000 per eligible institution. The Program’s assistance is not intended to be a grant but rather could be structured as a loan, guaranty or debt service reserve fund to facilitate financing with at least one other financial partner. While the Authority has not utilized the Program yet, it continues to engage in outreach with eligible institutions and to evaluate opportunities.

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

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## Financial Highlights

The following summarizes the financial position and results of operations of the Authority for the fiscal years ended June 30, 2021, 2020 and 2019 (in thousands of dollars):

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Assets:</b>			
Current and other assets	\$32,066	\$30,957	\$29,681
Capital assets	<u>12</u>	<u>18</u>	<u>15</u>
Total Assets	32,078	30,975	29,696
Deferred outflows of resources - pension	137	107	104
<b>Liabilities:</b>			
Non-current liabilities	848	490	526
Other liabilities	<u>89</u>	<u>80</u>	<u>285</u>
Total liabilities	937	570	811
Deferred inflows of resources – pension	<u>82</u>	<u>118</u>	<u>87</u>
Total net position	<u>\$31,196</u>	<u>\$30,394</u>	<u>\$28,902</u>
Operating Revenues	\$ 2,855	\$ 2,908	\$ 2,901
Operating Expenses	<u>2,091</u>	<u>1,977</u>	<u>1,715</u>
Operating Income	764	931	1,186
<b>Non-Operating Revenues:</b>			
Net income from investments	123	526	554
Unrealized (loss) gain on investments	(85)	35	270
Loss on disposition of fixed assets	<u>0</u>	<u>0</u>	<u>(4)</u>
Total Non-Operating Revenues	38	561	820
Increase in Net Position	802	1,492	2,006
Net position, beginning of year	<u>30,394</u>	<u>28,902</u>	<u>26,896</u>
Net position, end of year	<u>\$31,196</u>	<u>\$30,394</u>	<u>\$28,902</u>

## Summary of Financings

During fiscal years 2021, 2020, and 2019 the Authority issued:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Public Issues	\$906,215,000	\$454,010,000	\$75,555,000
Private Placements & Limited Offerings	105,298,000	329,722,565	152,717,325
	<u>\$1,011,513,000</u>	<u>\$783,732,565</u>	<u>\$228,272,325</u>

The following is a list of bonds issued during fiscal year 2021:

**HEALTHCARE FINANCINGS:**

**\$78,260,000 University of Maryland Medical System Issue, Series 2020 B-1**

**\$74,420,000 University of Maryland Medical System Issue, Series 2020 B-2**

**\$600,000,000 University of Maryland Medical System Issue, Series 2020D - Taxable**

A public offering to finance capital expenditures related primarily to three capital projects: The Shore Regional at Dorchester Transformation Project, The Upper Chesapeake Transformation Project and The Baltimore Washington Ambulatory Care Expansion Project. UMMS utilized the Series 2020D bonds to refinance certain existing debt and provide funding for capital projects included in its master plan.

**\$14,300,000 Kennedy Krieger Institute Issue (2020)**

A private placement to refund the Authority's Revenue Bonds, Kennedy Krieger Issue (2011).

**\$18,725,000 Adventist HealthCare Issue, Series 2020**

A public offering to refund the Authority's Adventist HealthCare Issue (2014A).

**\$16,539,000 Calvert Health System Issue (2021)**

A private placement to refund the Authority's Revenue Bonds, Calvert Memorial Hospital Issue (2015).

**\$46,680,000 Mercy Medical Center Issue (2021)**

A private placement to refund the Authority's Revenue Bonds, Mercy Medical Center Issue, Series 2011 and to finance the purchase of medical equipment.

**NON-COLLEGIATE SCHOOL FINANCINGS:**

**\$13,000,000 Roland Park Country School Issue (2020)**

A private placement to finance the construction of the new Harris Center main entrance and reception area and other related improvements and capital expenditures and to refund the Authority's Revenue Bonds, Roland Park Country School Issue (2009).

**COLLEGIATE SCHOOL FINANCINGS:**

**\$8,430,000 St. John's College Issue, Series 2020**

A public offering to refund certain outstanding debt not issued through the Authority and finance various equipment purchases and renovation projects at the College's Annapolis campus.

**\$126,380,000 Stevenson University Issue, Series 2021A**

**\$14,779,000 Stevenson University Issue (2021B) - Taxable**

A public offering and private placement to finance capital expenditures related to the construction of a new library facility and other capital improvements on the University's Owings Mills campus and to refinance the Authority's Revenue Bonds, Stevenson University Issue (2013 A,B&C).



**Total Principal of Bonds Outstanding** (in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Public Offerings	\$5,943,195	\$5,599,395
Private Placements & Limited Offerings	<u>2,532,044</u>	<u>2,740,179</u>
Total	<u>\$8,475,239</u>	<u>\$8,339,574</u>

Refer to pages 44-46 for a detailed list of the Public Offerings and Private Placements & Limited Offerings outstanding.

Refer to pages 47-51 for a detailed list of the bonds outstanding for each borrower or obligated group.

**Subsequent Bond Activity**

The following bonds had been authorized but not issued as of June 30, 2021:

- LifeBridge Health Issue (2021)
- Adventist HealthCare Issue, Series 2021
- Mercy Ridge Issue (2021)

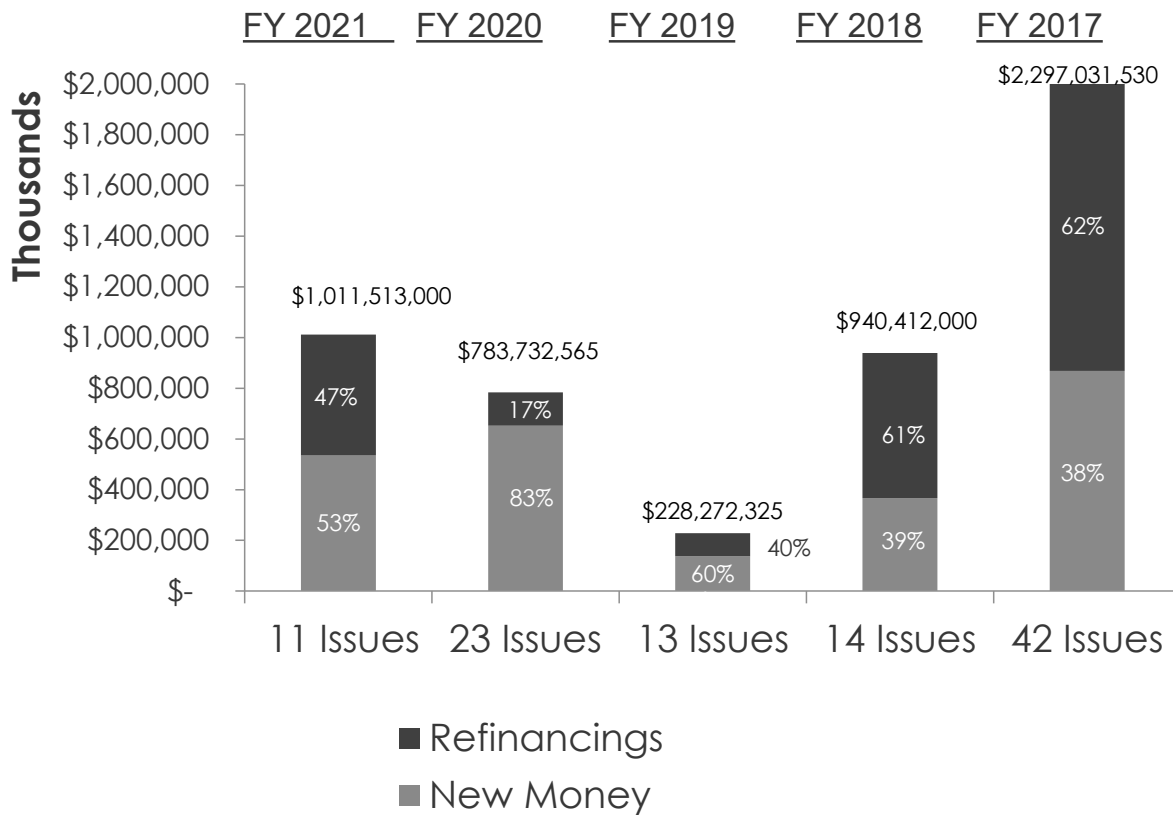
Subsequent to June 30, 2021, the following bonds were authorized and issued as of September 14, 2021 (the date on which these financial statements were available to be issued):

- St. Andrew's Episcopal School Issue (2021)
- Greater Baltimore Medical Center, Inc. Issue, Series 2021A & Series (2021B)

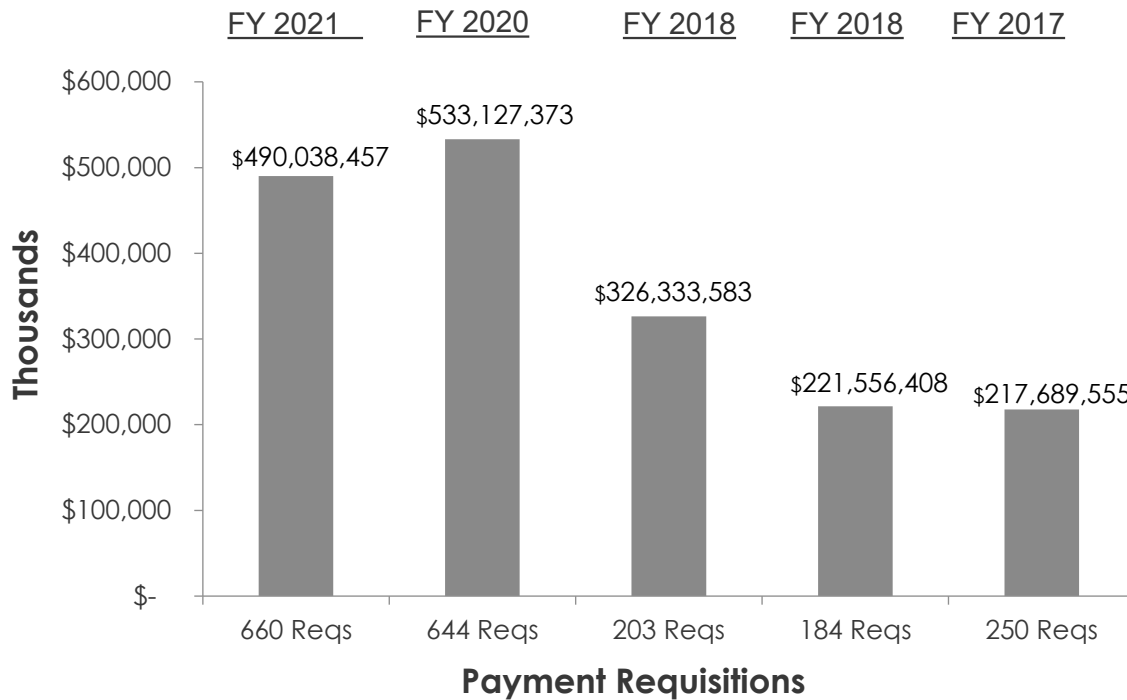
Subsequent to June 30, 2021, the following bonds were authorized but had not been issued as of September 14, 2021 (the date on which these financial statements were available to be issued):

- Notre Dame of Maryland University Issue (2021)
- Adventist HealthCare Issue, Series 2021B & 2021C-Taxable
- Rochambeau, The French International School Issue (2021)
- Washington Episcopal School Issue (2021)

**5 Year Bond Issuance Comparison**



**5 Year Construction Fund Requisitions Comparison**



Maryland Health and Higher Educational Facilities Authority  
Balance Sheets  
As of June 30, 2021 and June 30, 2020  
(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,372	\$ 1,508
Investments at fair value	4,707	4,052
Interest receivable	21	68
Administrative fees receivable	-	19
Prepaid insurance and other prepayments	64	56
<b>Total current assets</b>	<b>6,164</b>	<b>5,703</b>
<b>Non-current assets:</b>		
Investments at fair value	25,902	25,254
Capital assets (net of accumulated depreciation of \$212 and \$207, respectively)	12	18
<b>Total non-current assets</b>	<b>25,914</b>	<b>25,272</b>
Deferred outflows of resources - pension related	137	107
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 32,215</b>	<b>\$ 31,082</b>
<b>LIABILITIES AND NET POSITION BALANCES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 19	\$ 8
Accrued salaries and benefits	22	19
Accrued vacation	47	53
Accrued rent	1	-
<b>Total current liabilities</b>	<b>89</b>	<b>80</b>
<b>Non-current liabilities:</b>		
Accrued vacation	38	14
Accrued rent	26	25
Net pension liability	784	451
<b>Total non-current liabilities</b>	<b>848</b>	<b>490</b>
Deferred inflows of resources - pension related	82	118
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,019</b>	<b>688</b>
<b>NET POSITION</b>		
Net investment in capital assets	12	18
<b>Unrestricted:</b>		
Designated for operations	4,184	3,954
Designated for community outreach program	5,400	5,284
Designated for contingencies	21,600	21,138
<b>TOTAL NET POSITION</b>	<b>31,196</b>	<b>30,394</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 32,215</b>	<b>\$ 31,082</b>

*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, 2021 and June 30, 2020  
 (in thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Administrative fees	\$ 2,820	\$ 2,813
Application fees	35	95
<b>TOTAL OPERATING REVENUES</b>	<b>2,855</b>	<b>2,908</b>
<b>OPERATING EXPENSES</b>		
Salaries	871	962
Employees' insurance, pension and other fringe benefits	399	115
Payroll taxes	56	60
Professional fees	399	458
Contract services	174	178
Office rent, phone and internet	112	103
Insurance	50	49
Depreciation	10	9
Other	20	43
<b>TOTAL OPERATING EXPENSES</b>	<b>2,091</b>	<b>1,977</b>
<b>OPERATING INCOME</b>	<b>764</b>	<b>931</b>
<b>NON-OPERATING REVENUES</b>		
Net income from investments	123	526
Unrealized (loss) gain on investments	(85)	35
<b>TOTAL NON-OPERATING REVENUES</b>	<b>38</b>	<b>561</b>
<b>INCREASE IN NET POSITION</b>	<b>802</b>	<b>1,492</b>
Net position, beginning of year	30,394	28,902
<b>Net position, end of year</b>	<b>\$ 31,196</b>	<b>\$ 30,394</b>

*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, 2021 and June 30, 2020  
 (in thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from administrative and other fees	\$ 2,875	\$ 2,889
Cash payments to employees and employee benefits	(1,038)	(1,297)
Cash payments to suppliers for goods and services	(752)	(890)
Net cash provided by operating activities	<u>1,085</u>	<u>702</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(4)	(12)
Net cash used in capital and related financing activities	<u>(4)</u>	<u>(12)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	182	569
Purchases of investments	(40,564)	(84,604)
Sales and maturities of investments	39,165	83,903
Net cash used in investing activities	<u>(1,217)</u>	<u>(132)</u>
Net (decrease)/increase in cash and cash equivalents	(136)	558
Cash and cash equivalents, beginning of year	1,508	950
Cash and cash equivalents, end of year	<u>\$ 1,372</u>	<u>\$ 1,508</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 764	\$ 931
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Pension related - proportionate share of state expense	335	48
Pension related - actual cash contribution paid	(68)	(74)
Depreciation	10	9
Administrative fees receivable	19	(19)
Prepaid insurance and other prepayments	(9)	(7)
Accounts payable and accrued expenses	34	(186)
Net cash provided by operating activities	<u>\$ 1,085</u>	<u>\$ 702</u>

*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 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 or 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 or of the Authority is pledged to the payment of the principal or interest on bonds or 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 GASB. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are annual administrative fees and application fees charged to borrowers. Operating expenses for the Authority include staff salaries, professional fees and other expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**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. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of June 30, 2021, all of the Authority's deposits were either covered by federal depository insurance or were covered by collateral held by the Authority's agent in the Authority's name. The amount of the Authority's deposits collateralized at June 30, 2021 was \$1,146,957.

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**Investments** – The Authority’s investment objective is to invest in a manner which will provide the highest return with the maximum security while meeting cash flow needs. Allowable investments are governed by the Authority’s investment policy which is reviewed annually with the Authority Members at one of its scheduled monthly meetings. Permissible investments under the investment policy 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. 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 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:

**Net investment in capital assets** – 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 operations, maintained at two times the annual operating expenses of the Authority. On June 30, 2021 and June 30, 2020, the designation for operations was \$4,184,000 and \$3,954,000, respectively. Beginning in fiscal year 2020, the Authority internally designated an amount for its Community Outreach Program. The Community Outreach Program’s guidelines stipulate an amount that may not exceed 20% of the total net position available for contingencies. After the designation for operations, the total net position available for contingencies was \$27,000,000 and \$26,422,000 as of June 30, 2021 and June 30, 2020, respectively. Of the total net position available for contingencies, \$5,400,000 and \$5,284,000 was designated for the Community Outreach Program as of June 30, 2021 and June 30, 2020, respectively. The remaining unrestricted net position designated for contingencies as of June 30, 2021 and June 30, 2020, was \$21,600,000 and \$21,138,000, respectively. This designation is subject to a limitation equal to 1% of total bonds outstanding. These

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amounts do not exceed the limitations for June 30, 2021 and June 30, 2020, which were \$84,753,000 and \$83,396,000, 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.

**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 and 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.



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**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, 2021 and June 30, 2020. The following tables present the financial assets that the Authority measured at fair value (in thousands of dollars).

<b>June 30, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Obligations of U. S. Treasury	\$ -	\$ -	\$ -	\$ -
Obligations of U.S. government agencies and instrumentalities	-	30,402	-	30,402
Money market fund	207	-	-	207
Total	\$207	\$30,402	\$ -	\$30,609

<b>June 30, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Obligation of U.S. Treasury	\$ -	\$ 3,061	\$ -	\$ 3,061
Obligations of U.S. government agencies and instrumentalities	-	25,945	-	25,945
Money market fund	300	-	-	300
Total	\$300	\$29,006	\$ -	\$29,306

**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.

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As of June 30, 2021 and June 30, 2020, the amortized cost and fair value of investments were as follows (in thousands of dollars):

	<b>AMORTIZED COST</b>	<b>GROSS UNREALIZED GAINS</b>	<b>GROSS UNREALIZED LOSSES</b>	<b>FAIR VALUE</b>
<b>June 30, 2021</b>				
Obligations of U.S. Treasury	\$ -	\$ -	\$ -	\$ -
Obligations of U.S. government agencies and instrumentalities	30,464	3	(65)	30,402
Money market fund	207	-	-	207
Total	\$30,671	\$3	\$(65)	\$30,609

	<b>AMORTIZED COST</b>	<b>GROSS UNREALIZED GAINS</b>	<b>GROSS UNREALIZED LOSSES</b>	<b>FAIR VALUE</b>
<b>June 30, 2020</b>				
Obligations of U.S. Treasury	\$ 3,047	\$14	\$ -	\$ 3,061
Obligations of U.S. government agencies and instrumentalities	25,938	7	-	25,945
Money market fund	300	-	-	300
Total	\$29,285	\$21	\$ -	\$29,306

The amortized cost and fair value of investments at June 30, 2021 and June 30, 2020, 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.

	<b>AMORTIZED COST</b>	<b>FAIR VALUE</b>
<b>June 30, 2021</b>		
Due in one year or less	\$ 4,706	\$ 4,707
Due after one year through five years	25,965	25,902
	\$30,671	\$30,609

	<b>AMORTIZED COST</b>	<b>FAIR VALUE</b>
<b>June 30, 2020</b>		
Due in one year or less	\$ 4,087	\$ 4,052
Due after one year through five years	25,248	25,254
	\$29,285	\$29,306

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**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, 2021 and June 30, 2020, 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.

As of June 30, 2021 and June 30, 2020, the Authority’s investment holdings by issuer were as follows (in thousands of dollars):

<i>June 30, 2021</i>	<i>Fair Value</i>	<i>Percentage of Total</i>
Obligations of U. S. Treasury	\$ -	0.00%
Obligations of U.S. Government Agencies:		
Federal Farm Credit Banks	14,471	47.28
Federal Home Loan Mortgage Corporation	7,990	26.10
Federal Home Loan Banks	3,497	11.42
Federal National Mortgage Association	4,444	14.52
Money Market Fund:		
Federated U.S. Government Money Market Fund	207	.68
<b>Total</b>	<b>\$30,609</b>	<b>100.00%</b>

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<i>June 30, 2020</i>	<i>Fair Value</i>	<i>Percentage of Total</i>
Obligations of U.S. Treasury	\$ 3,061	10.40%
Obligations of U.S. Government Agencies:		
Federal Farm Credit Banks	6,000	20.49
Federal Home Loan Mortgage Corporation	15,254	52.07
Federal Home Loan Banks	691	2.35
Federal National Mortgage Association	4,000	13.66
Money Market Fund:		
Federated U.S. Government Money Market Fund	300	1.03
<b>Total</b>	<b>\$29,306</b>	<b>100.00%</b>

As of June 30, 2021 and June 30, 2020, 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 June 30, 2027. The minimum rental commitment for office space for each of the next 5 years and thereafter is as follows:

2022	\$99,584
2023	101,558
2024	103,572
2025	105,627
2026	107,723
Thereafter	<u>109,860</u>
	\$627,924

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For the years ended June 30, 2021 and 2020, rental payments required under the terms of the lease totaled \$97,625 and \$74,011, respectively.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. This could have a negative impact on the Authority's institutions' financial position, results of operations, and cash flows. The Authority is not able to reliably estimate the length or severity of this outbreak and the related financial impact.

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 and June 30, 2020 consisted of the following (in thousands of dollars):

	<b><u>2021</u></b>	<b><u>2020</u></b>
Capital assets beginning of year	\$225	\$217
Additions	4	12
Retirements	(5)	(4)
Capital assets end of year	224	225
Accumulated depreciation end of year	(212)	(207)
Capital assets net of depreciation end of year	<u>\$ 12</u>	<u>\$ 18</u>

The Authority recognized \$9,773 and \$8,584 of depreciation expense during fiscal years 2021 and 2020, respectively.

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**NOTE 6: NON-CURRENT LIABILITIES**

A summary of non-current liabilities activity for the year ended June 30, 2021 is as follows:

	Beginning Balance June 30, 2020	Additions	Reductions	Ending Balance June 30, 2021	Due within one year
Accrued vacation	\$ 66,852	\$ 85,533	\$ (66,852)	\$ 85,533	\$ 47,368
Accrued rent	24,899	98,938	(97,788)	26,049	1,000
Net pension liability	450,631	333,752	-	784,383	-
	<u>\$ 542,382</u>	<u>\$ 518,223</u>	<u>\$ (164,640)</u>	<u>\$ 895,965</u>	<u>\$ 48,368</u>

A summary of non-current liabilities activity for the year ended June 30, 2020 is as follows:

	Beginning Balance June 30, 2019	Additions	Reductions	Ending Balance June 30, 2020	Due within one year
Accrued vacation	\$ 197,480	\$ 66,852	\$ (197,480)	\$ 66,852	\$ 52,857
Accrued rent	15,059	106,975	(97,135)	24,899	-
Net pension liability	505,372	-	(54,741)	450,631	-
	<u>\$ 717,911</u>	<u>\$ 173,827</u>	<u>\$ (349,356)</u>	<u>\$ 542,382</u>	<u>\$ 52,857</u>

**NOTE 7: PENSION PLAN**

**Summary**

The Authority has adopted GASB No. 68 – Accounting and Financial Reporting for Pensions (“GASB 68”). 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 0.0035% and 0.0022% as of the measurement dates of June 30, 2020 and 2019, respectively.

The Authority has adopted GASB No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB No. 68. 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.

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The Authority's employees contributed seven percent of their compensation during fiscal years 2021 and 2020 as stipulated by the System. The Authority contributed \$67,425 and \$74,411 to the System for fiscal years 2021 and 2020, 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 changes in assumptions, the difference between actual and expected experience, and change in proportion and its proportionate share of the System's deferred outflows of resources (a decrease in Pension Expense) attributable to the changes in assumptions, the net difference between projected and actual investment earnings, and change in proportion.

**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, 2020 and 2019 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. Because the State of Maryland contributed 100% of the actuarial determined contributions, there were no adjustments for the years ended June 30, 2020 and June 30, 2019.
3. The components of the calculation of the net pension liability for the System as of the measurement dates of June 30, 2020 and 2019, calculated in accordance with GASB Statement No. 67, are shown in the following table:

(Expressed in millions)

	Measurement Date <u>June 30, 2020</u>	Measurement Date <u>June 30, 2019</u>
Total Pension Liability	\$77,187.4	\$74,569.0
Less: Plan Fiduciary Net Position	<u>54,586.0</u>	<u>53,943.4</u>
Net Pension Liability	<u>\$22,601.4</u>	<u>\$20,625.6</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.7%</u>	<u>72.3%</u>

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**Actuarial Assumptions**

Assumption	Measurement Date June 30, 2020	Measurement Date June 30, 2019
Actuarial	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Inflation	2.60% General; 3.10% Wages	2.65% General; 3.15% Wages
Salary Increases	3.10% to 11.60%	3.10% to 11.60%
Discount Rate	7.40%	7.40%
Investment Rate of Return	7.40%	7.40%
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2014-2018.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2014-2018.

**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 System’s 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:



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Asset Class	June 30, 2020		June 30, 2019	
	Target Allocations	Long-Term Expected Real Rate of Return	Target Allocations	Long-Term Expected Real Rate of Return
Public Equity	37%	5.2%	37%	6.3%
Private Equity	13%	6.5%	13%	7.5%
Rate Sensitive/Fixed Income	19%	-0.3%	19%	1.3%
Credit Opportunity	9%	2.8%	9%	3.9%
Real Assets	14%	4.3%	14%	4.5%
Absolute Return	8%	1.8%	8%	3.0%
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, 2020 and 2019, respectively.

### Discount Rate

A single discount rate of 7.40% was used to measure the total pension liability as of June 30, 2020 and 2019. This single discount rate was based on the expected rates of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Net Pension Liability

The following presents the sensitivity of the System's net pension liability to changes in the discount rates and the Authority's proportionate share of the System's net pension liability (expressed in thousands), calculated using a discount rate of 7.40%, a discount rate that is 1-percentage point lower (i.e., 6.40%) and a discount rate that is 1-percentage point higher (i.e., 8.40%):

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\$ expressed in thousands

2020	1% Lower – 6.40%	Current Rate – 7.40%	1% Higher – 8.40%
The System's Net Pension Liability	\$32,176,695	\$22,601,360	\$14,626,005
The Authority's Proportionate Share of Net Pension Liability	\$1,116	\$784	\$508

2019	1% Lower – 6.40%	Current Rate – 7.40%	1% Higher – 8.40%
The System's Net Pension Liability	\$29,853,506	\$20,625,610	\$12,939,936
The Authority's Proportionate Share of Net Pension Liability	\$652	\$451	\$283

## Pension Plan Description

### Organization

The State Retirement Agency (the "Agency") is the administrator of the System. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the "State Pool" and the "Municipal Pool". The "State Pool" consists of the State agencies, boards of education, community colleges, and libraries. The "Municipal Pool" consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participating governmental units that elect to join the System (the "Municipal Pool") share in the liabilities of the Municipal Pool only. The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The Agency is legally authorized to use all assets accumulated for the payment of benefits to pay such obligations to any plan member or beneficiary as defined by the terms of the plan. Consequently, the System is accounted for as a single plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans - An Amendment of GASB Statement No.25." Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget. 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. The member contribution rate was increased for members of the Employees' Pension System from 5% to 7% on July 1, 2011. 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 2020 and 2019, 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 joined 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 joined after June 30, 2011 and 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.

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Notes to Financial Statements  
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**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021 and 2020, the Authority reported a liability of \$784,383 and \$450,631, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, 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, 2020 and 2019, the Authority's proportion was approximately 0.0034705% and 0.0021848%, respectively.

For the years ended June 30, 2021 and 2020, the Authority recognized pension expense of \$334,657 and \$48,000, respectively. At the measurement dates of June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Measurement Date of June 30, 2020	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 2,713	\$ 9,645
Difference between actual and expected experience	-	22,865
Net difference between projected and actual earnings on pension plan investments	57,083	-
Change in proportion	9,780	49,102
Contributions subsequent to the measurement date	67,425	-
Total	\$ 137,001	\$ 81,612

Measurement Date of June 30, 2019	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 9,033	\$ 12,264
Difference between actual and expected experience	-	33,999
Net difference between projected and actual earnings on pension plan investments	10,044	-
Change in proportion	13,104	71,461
Contributions subsequent to the measurement date	74,411	-
Total	\$ 106,592	\$ 117,724

The deferred outflows of resources of \$67,425 and \$74,411 relating to contributions subsequent to the measurement dates of June 30, 2020 and 2019, respectively, will be recognized as a reduction of the Authority's net pension liability during the fiscal years ending June 30, 2022 and 2021, respectively. The deferred outflows and inflows of resources due to changes in assumptions, differences between actual and expected experience, change in proportion, and net differences between projected and actual investment earnings represent the Authority's proportionate share of the unamortized portions of the System's original

Maryland Health and Higher Educational Facilities Authority  
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amounts. The deferred inflows and outflows related to non-investment activity for 2020, 2019, 2018, 2017 and 2016 are being amortized over the remaining service lives ranging from 5.50 to 5.87 years. The deferred outflows and inflows related to net differences in investment earnings for 2020, 2019, 2018, 2017 and 2016 are being amortized over a closed 5 year period. These unamortized amounts will be ratably recognized in pension expense over these service lives and the closed 5 year period.

The following table shows the aggregate amortization of these deferred outflows and inflows balances by year:

<b>Total Amortizations by Year</b>			
Fiscal Year Ended June 30	Deferred Outflows	Deferred Inflows	Net
2022	\$ 14,615	\$ 34,357	\$ (19,742)
2023	19,583	24,151	(4,568)
2024	19,650	14,422	5,228
2025	15,295	8,539	6,756
2026	433	143	290
Total	\$ 69,576	\$ 81,612	\$ (12,036)

### 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, 2020 and 2019 were as follows (expressed in thousands):

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total pension liability	\$2,678	\$1,629
Less: Plan fiduciary net position	<u>1,894</u>	<u>1,178</u>
Net pension liability	<u>\$ 784</u>	<u>\$ 451</u>
Plan fiduciary net position as a percentage of total pension liability	70.7%	72.3%

### 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, 2020 and 2019 are available from:

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

[http://sra.maryland.gov/Agency/Downloads/CAFR/CAFR\\_FullReport.pdf](http://sra.maryland.gov/Agency/Downloads/CAFR/CAFR_FullReport.pdf)

Maryland Health and Higher Educational Facilities Authority  
Notes to Financial Statements  
June 30, 2021 and June 30, 2020

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**NOTE 8: 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, 2021 and June 30, 2020 (in thousands of dollars):

	<u>2021</u>	<u>2020</u>
Bonds outstanding at beginning of the fiscal year	\$8,339,574	\$8,903,807
Plus: Bonds issued during fiscal year	1,011,513	783,732
Less: Redemptions and refundings during fiscal year	(875,848)	(1,347,965)
<u>Bonds outstanding as of June 30, 2021 and June 30, 2020</u>	<u>\$8,475,239</u>	<u>\$8,339,574</u>

**NOTE 9: 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 14, 2021 (the date these 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**

	FY2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Authority’s proportion (%) of collective net pension liability	0.0035%	0.0022%	0.0024%	0.0024%	0.0025%	0.0028%	0.0026%
Authority’s proportionate share (\$) of collective net pension liability	\$784,382	\$450,631	\$505,371	\$509,313	\$595,776	\$574,755	\$460,117
Authority’s covered payroll (\$)*	\$874,306	\$1,017,707	\$721,265	\$784,160	\$809,354	\$779,710	\$780,688
Authority’s proportionate share of collective net pension liability as a percentage of its covered payroll	89.72%	44.28%	70.07%	64.95%	73.61%	73.71%	58.94%
Pension plan’s fiduciary net position as a percentage of the total pension liability	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

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

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.

Maryland Health and Higher Educational Facilities Authority  
 Required Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 67,425	\$ 74,411	\$ 44,865	\$ 48,030	\$ 47,939	\$ 49,191	\$ 58,294	\$ 60,419	\$ 55,384	\$ 65,295
Contributions in relation to the contractually required contribution	<u>67,425</u>	<u>74,411</u>	<u>44,865</u>	<u>48,030</u>	<u>47,939</u>	<u>49,191</u>	<u>58,294</u>	<u>60,419</u>	<u>55,384</u>	<u>65,295</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 874,306	\$ 1,017,707	\$ 721,265	\$ 784,160	\$ 809,354	\$ 779,710	\$ 780,688	\$ 761,281	\$ 782,479	\$ 727,084
Contributions as a percentage of covered-employee payroll	7.71%	7.31%	6.22%	6.13%	5.92%	6.31%	7.47%	7.94%	7.08%	8.98%

**Notes to Required Supplementary Information**

**Actuarial Assumptions and Trends**

	Change from Fiscal Year 2017 to 2018	Change from Fiscal Year 2018 to 2019	Change from Fiscal Year 2019 to 2020
Inflation General	2.65% to 2.60%	2.60% to 2.65%	2.65% to 2.60%
Inflation Wages	3.15% to 3.10%	3.10% to 3.15%	3.15% to 3.10%
Covered Employees	No Change	No Change	Increase of 2 covered employees due to position overlap

## **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 may 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 on bonds, notes and leases.

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 documents. The financial statements included in this additional information combine the Trusteed accounts of all bond, note and lease issues outstanding during the year. Interfund activity is eliminated in the combination.

The following is a description of the sources and uses of amounts held in the various Trusteed Funds:

**Construction Funds** – Account for the receipt of bond proceeds and other amounts, if any, 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 of bond proceeds 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 of bond proceeds 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 respective resolutions or indentures.

**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, 2021  
 (in thousands of dollars)

	Construction Funds	Program Funds	Debt Service Funds
<b>Assets</b>			
Cash and cash equivalents	\$5.8	\$0.0	\$37,716.7
Investments	779,296.8	35,216.7	155,170.6
Interest receivable	0.0	0.0	0.0
Due from other funds	0.0	5.1	7,751.3
Due from institutions	0.0	0.0	48,492.3
<b>Total Assets</b>	<b>\$779,302.6</b>	<b>\$35,221.8</b>	<b>\$249,130.9</b>
<b>Liabilities and Net Position</b>			
Liabilities			
Accounts payable and accrued expenses	0.0	0.0	183.9
Principal payable	0.0	0.0	150,298.6
Interest payable	0.0	0.0	83,215.9
Due to other funds	7,610.2	5.1	141.1
<b>Total Liabilities</b>	<b>\$7,610.2</b>	<b>\$5.1</b>	<b>\$233,839.5</b>
<b>Restricted Net Position</b>			
Reserved for debt service	0.0	0.0	15,291.4
Reserved for loans under Pooled Loan Program	0.0	35,216.7	0.0
Designated for specific projects	0.0	0.0	0.0
Designated for projects under bond resolution or indenture	771,692.4	0.0	0.0
<b>Total Net Position</b>	<b>\$771,692.4</b>	<b>\$35,216.7</b>	<b>\$15,291.4</b>
<b>Total Liabilities and Net Position</b>	<b>\$779,302.6</b>	<b>\$35,221.8</b>	<b>\$249,130.9</b>

Maryland Health and Higher Educational Facilities Authority  
 Additional Information - Combined Balance Sheets of Trusteed Conduit Debt Funds  
 As of June 30, 2021  
 (in thousands of dollars)

Debt Service Reserve Funds	Project Reserve Funds	Redemption Funds	Total
\$0.0	\$0.0	\$0.0	\$37,722.5
66,512.6	162.7	0.1	1,036,359.5
0.0	0.0	0.0	0.0
0.0	0.0	0.0	7,756.4
0.0	0.0	0.0	\$48,492.3
<b>\$66,512.6</b>	<b>\$162.7</b>	<b>\$0.1</b>	<b>\$1,130,330.7</b>

0.0	0.0	0.0	183.9
0.0	0.0	0.0	150,298.6
0.0	0.0	0.0	83,215.9
0.0	0.0	0.0	7,756.4
<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$241,454.8</b>

66,512.6	0.0	0.0	81,804.0
0.0	0.0	0.0	35,216.7
0.0	162.7	0.0	162.7
0.0	0.0	0.1	771,692.5
<b>\$66,512.6</b>	<b>\$162.7</b>	<b>\$0.1</b>	<b>\$888,875.9</b>
<b>\$66,512.6</b>	<b>\$162.7</b>	<b>\$0.1</b>	<b>\$1,130,330.7</b>

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, 2021  
(in thousands of dollars)

	<b>Construction Funds</b>	<b>Program Funds</b>	<b>Debt Service Funds</b>
<b>ADDITIONS</b>			
Proceeds from sale of bonds and notes:			
Gross proceeds	\$1,045,861.6	\$0.0	\$156,636.3
Underwriter's discount	(4,542.6)	0.0	0.0
Net original issuance - premium	50,204.5	0.0	0.0
Payments, contributions, equity contributions	(7,064.2)	0.0	12,026.7
Lease and loan payments	0.0	0.0	343,836.4
Debt service interest	0.0	0.0	263,707.1
Income from investments	6,980.0	104.1	195.2
Transfer from other issuer	0.0	0.0	0.0
<b>Total Additions</b>	<b>\$1,091,439.3</b>	<b>\$104.1</b>	<b>\$776,401.7</b>
<b>DEDUCTIONS</b>			
Project and financing costs	463,196.5	0.0	13,564.4
Loans to institutions	0.0	17,603.5	0.0
Debt service:			
Principal	0.0	0.0	317,372.4
Interest	0.0	0.0	299,576.4
Required payments to institutions	0.0	0.0	29.9
Retirement of bonds	0.0	0.0	229,362.2
Transfer to escrow deposit agents for defeased issues	241,015.6	0.0	157,499.4
<b>Total Deductions</b>	<b>\$704,212.1</b>	<b>\$17,603.5</b>	<b>\$1,017,404.7</b>
Net Interfund Transfers In/(Out)	(280,725.5)	13,820.3	237,167.5
<b>Beginning of Year Net Position</b>	<b>\$665,190.7</b>	<b>\$38,895.8</b>	<b>\$19,126.9</b>
<b>Ending Net Position</b>	<b>\$771,692.4</b>	<b>\$35,216.7</b>	<b>\$15,291.4</b>

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, 2021  
 (in thousands of dollars)

<b>Debt Service Reserve Funds</b>	<b>Project Reserve Funds</b>	<b>Redemption Funds</b>	<b>Total</b>
\$8,341.1	\$0.0	\$0.0	\$1,210,839.0
0.0	0.0	0.0	(4,542.6)
0.0	0.0	0.0	50,204.5
0.0	50.0	15,107.8	20,120.3
0.0	0.0	0.0	343,836.4
0.0	0.0	0.0	263,707.1
771.7	0.0	0.1	8,051.1
0.0	0.0	0.0	0.0
<b>\$9,112.8</b>	<b>\$50.0</b>	<b>\$15,107.9</b>	<b>\$1,892,215.8</b>
0.0	0.0	0.0	\$476,760.9
0.0	0.0	0.0	17,603.5
0.0	0.0	0.0	317,372.4
0.0	0.0	318.5	299,894.9
0.0	0.0	0.0	29.9
0.0	0.0	59,975.0	289,337.2
0.0	0.0	0.0	398,515.0
<b>\$0.0</b>	<b>\$0.0</b>	<b>\$60,293.5</b>	<b>\$1,799,513.8</b>
(15,448.0)	0.0	45,185.7	0.0
<b>\$72,847.8</b>	<b>\$112.7</b>	<b>\$0.0</b>	<b>\$796,173.9</b>
<b>\$66,512.6</b>	<b>\$162.7</b>	<b>\$0.1</b>	<b>\$888,875.9</b>

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding

As of June 30, 2021, the principal amount  
of bonds and notes outstanding  
is as follows (in thousands of dollars):

	<b>ISSUE DATE</b>	<b>AMOUNT ISSUED</b>	<b>FINAL MATURITY</b>	<b>BONDS AND NOTES PAYABLE JUNE 30, 2021</b>
<b>PUBLIC OFFERINGS</b>				
Pooled Loan Program, Series 1985A & B	December 30, 1985	\$ 175,000	2035	\$ 175,000
Greater Baltimore Medical Center Issue, Series 1995	October 11, 1995	10,000	2025	2,730
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 1996	March 28, 1996	42,425	2026	16,230
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 1, 2000	69,305	2031	15,400
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2001	August 29, 2001	28,030	2034	18,100
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004	May 26, 2004	35,665	2034	33,940
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
Mercy Medical Center Issue, Series 2006	August 3, 2006	35,000	2036	26,160
Mercy Ridge Issue, Series 2007	March 22, 2007	23,445	2035	18,545
University of Maryland Medical System Issue, Series 2007A	September 12, 2007	96,445	2034	73,280
Gaudenzia Foundation Issue, Series 2007	December 12, 2007	5,500	2028	2,435
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	2041	55,000
Anne Arundel Medical Center Issue, Series 2009B	February 19, 2009	60,000	2043	60,000
College of Notre Dame of Maryland Issue, Series 2010	November 24, 2010	11,495	2035	7,935
Mercy Medical Center Issue, Series 2011	February 24, 2011	40,770	2031	36,385
LifeBridge Health Issue, Series 2011	March 30, 2011	50,695	2041	1,100
Greater Baltimore Medical Center Issue, Series 2011	April 20, 2011	67,945	2034	8,925
Adventist HealthCare Issue, Series 2011A	September 1, 2011	57,205	2036	57,205
MedStar Health Issue, Series 2011	November 17, 2011	94,920	2024	10,575
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	8,230
Carroll Hospital Center Issue, Series 2012A	May 31, 2012	59,780	2022	3,695
Loyola University Maryland Issue, Series 2012A	June 7, 2012	49,250	2039	2,590
Notre Dame of Maryland University Issue, Series 2012	June 25, 2012	21,195	2042	16,500
Goucher College Issue, Series 2012A	August 30, 2012	19,945	2034	18,745
Maryland Institute College of Art Issue, Series 2012	October 10, 2012	33,985	2047	28,140
Anne Arundel Health System Issue, Series 2012	November 1, 2012	73,625	2034	54,135
Frederick Memorial Hospital Issue, Series 2012A	December 5, 2012	96,240	2038	2,475
MedStar Health Issue, Series 2013A	March 21, 2013	117,785	2041	112,605
University of Maryland Medical System Issue, Series 2013B (Taxable)	April 2, 2013	115,055	2043	115,055
MedStar Health Issue, Series 2013B	May 21, 2013	149,760	2038	149,760
The Johns Hopkins University Issue, Series 2013B	June 20, 2013	99,625	2041	91,030
The Johns Hopkins Health System Issue, Series 2013C	August 28, 2013	238,000	2043	3,765
City Neighbors Schools Issue, Series 2013A	December 19, 2013	10,745	2044	9,900
Loyola University Maryland Issue, Series 2014	October 30, 2014	60,365	2045	60,365
Anne Arundel Health System Issue, Series 2014	November 26, 2014	127,305	2039	111,460
Peninsula Regional Medical Center Issue, Series 2015	February 5, 2015	126,665	2045	10,425
MedStar Health Issue, Series 2015	February 11, 2015	357,205	2045	328,340
The Johns Hopkins Health System Issue, Series 2015A	May 12, 2015	134,735	2040	121,835
The Johns Hopkins Medical Institutions Utilities Issue, Series 2015A	May 12, 2015	19,505	2037	19,505
University of Maryland Medical System Issue, Series 2015	May 21, 2015	80,145	2041	72,140
Meritus Medical Center Issue, Series 2015	July 9, 2015	257,300	2045	235,195
Lifebridge Health Issue, Series 2015	July 30, 2015	159,685	2047	157,250
Edenwald Issue, Series 2015	October 14, 2015	49,030	2037	41,460
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	37,110
Charlestown Community Issue, Series 2016A	November 2, 2016	89,600	2045	82,905
LifeBridge Health Issue, Series 2016	November 9, 2016	120,695	2047	119,200
Adventist HealthCare Issue, Series 2016A	December 14, 2016	269,750	2046	261,845
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	142,985
University of Maryland Medical System Issue, Series 2017C (Taxable)	February 2, 2017	121,400	2029	107,165
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	16,570
Goucher College Issue, Series 2017A	June 22, 2017	57,565	2044	55,705
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	820
Medstar Health Issue, Series 2017A	June 29, 2017	395,055	2047	395,055
Anne Arundel Health System Issue, Series 2017A	November 1, 2017	42,485	2034	39,145
Anne Arundel Health System Issue, Series 2017B (Taxable)	November 1, 2017	17,760	2027	15,545
LifeBridge Health Issue, Series 2017	November 9, 2017	118,120	2044	107,910
University of Maryland Medical System Issue, Series 2017D	December 19, 2017	145,265	2048	145,265



# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<b>ISSUE DATE</b>	<b>AMOUNT ISSUED</b>	<b>FINAL MATURITY</b>	<b>BONDS AND NOTES PAYABLE JUNE 30, 2021</b>
University of Maryland Medical System Issue, Series 2017E (Taxable)	December 19, 2017	44,700	2048	44,700
Broadmead Issue, Series 2018A	October 18, 2018	60,555	2048	60,160
Loyola University Maryland Issue, Series 2019A	December 19, 2019	43,640	2049	40,745
Loyola University Maryland Issue, Series 2019B (Taxable)	December 19, 2019	34,775	2039	34,775
UPMC Issue, Series 2020B	April 29, 2020	190,955	2050	188,040
Peninsula Regional Health System Issue, Series 2020A	May 13, 2020	95,995	2048	95,995
Frederick Health System Issue, Series 2020	June 25, 2020	62,645	2050	62,645
University of Maryland Medical System Issue, Series 2020B-1	July 22, 2020	78,260	2045	78,260
University of Maryland Medical System Issue, Series 2020B-2	July 22, 2020	74,420	2045	74,420
University of Maryland Medical System Issue, Series 2020D (Taxable)	July 22, 2020	600,000	2050	600,000
St. John's College Issue, Series 2020	July 27, 2020	8,430	2040	8,120
Adventist HealthCare Issue, Series 2020	December 30, 2020	18,725	2038	18,725
Stevenson University Issue, Series 2021A	January 28, 2021	126,380	2028	126,380
<b>Public Offerings Outstanding</b>		<b>\$ 7,315,170</b>		<b>\$ 5,943,195</b>
<b>PRIVATE PLACEMENTS AND LIMITED OFFERINGS</b>				
Pooled Loan Program, Series D	January 1, 1994	\$ 418,516	2039	\$ 3,580
St. John's Episcopal Day School Issue (2001)	December 21, 2001	7,000	2032	3,799
The Johns Hopkins Health System Issue, Commercial Paper, Series B	February 9, 2004	40,000	2024	35,760
Friends School of Baltimore Issue (2004)	April 1, 2004	7,500	2029	3,624
Mt. Airy Christian Academy Issue (2005)	August 26, 2005	2,500	2031	444
Archdiocese of Baltimore Schools Issue (2007)	June 21, 2007	24,165	2037	21,675
Keswick Multi-Care Center Issue (2007)	August 9, 2007	11,520	2037	10,315
Mercy Medical Center Issue, Series 2007B & 2007C (Converted)	April 1, 2010	18,080	2034	13,540
Oldfields School Issue (2010)	April 14, 2010	2,985	2032	1,075
Park School Issue (2010)	December 1, 2010	14,590	2034	8,593
Christ Episcopal School Issue (2010)	December 20, 2010	3,868	2035	2,801
Landon School Issue (2011)	June 2, 2011	10,114	2028	4,165
Charles County Nursing and Rehabilitation Center Issue (2012A)	June 19, 2012	5,446	2037	3,957
Charles County Nursing and Rehabilitation Center Issue (2012B)	June 19, 2012	2,554	2037	2,024
St. Mary's Nursing Center Issue (2012)	June 19, 2012	5,350	2037	3,872
MedStar Health Issue (2012)	June 27, 2012	38,620	2022	13,990
Pickersgill Issue (2012)	June 28, 2012	31,150	2033	20,928
Union Hospital of Cecil County Issue (2012A)	July 18, 2012	9,924	2022	1,128
Union Hospital of Cecil County Issue (2012B)	July 18, 2012	4,007	2022	501
The Foundation Schools Issue (2012)	July 25, 2012	6,221	2037	4,507
Linwood Center Issue (2012)	September 19, 2012	4,500	2038	2,475
Mount St. Joseph Issue (2012A)	September 27, 2012	14,000	2042	11,117
Hebrew Home of Greater Washington Issue (2012)	December 20, 2012	21,308	2032	13,551
Trinity School Issue (2013)	January 24, 2013	6,450	2026	2,972
Roland Park Place Issue (2013)	April 10, 2013	19,966	2024	5,683
Way Station Issue (2013)	May 2, 2013	7,200	2028	3,689
Adventist HealthCare Issue (2013)	June 12, 2013	15,624	2025	6,037
Kennedy Krieger Issue (2013)	July 24, 2013	16,730	2033	14,550
Augsburg Lutheran Home Issue (2013A)	December 5, 2013	9,483	2035	6,853
Augsburg Lutheran Home Issue (2013B)	December 5, 2013	9,483	2035	6,984
Family Services Issue (2014)	March 4, 2014	4,430	2039	3,266
Our Lady of Good Counsel Issue (2014A)	March 12, 2014	31,125	2045	24,751
Gilman School Issue (2014)	October 16, 2014	35,500	2050	35,500
DeMatha Catholic High School Issue (2014)	November 13, 2014	17,750	2039	14,705
Union Hospital of Cecil County Issue (2014)	December 10, 2014	30,778	2039	29,998
Our Lady of Good Counsel Issue (2015B)	March 17, 2015	2,950	2045	2,428
Our Lady of Good Counsel Issue (2015C)	March 17, 2015	8,000	2024	2,101
Indian Creek School Issue (2015)	August 27, 2015	12,810	2030	9,871
University of Maryland Faculty Physicians Issue (2015)	December 1, 2015	12,615	2031	8,710
Friends Community School Issue (2015)	December 17, 2015	4,900	2045	4,276
Mercy Medical Center Issue (2016B)	May 19, 2016	35,055	2037	35,055
Mercy Medical Center Issue (2016C)	May 19, 2016	65,450	2042	59,720
The Johns Hopkins Health System Issue (2016A)	May 31, 2016	48,565	2037	25,710
The Johns Hopkins Health System Issue (2016B)	June 20, 2016	48,245	2042	48,245
Bishop McNamara High School Issue (2016)	June 23, 2016	16,880	2041	9,362
Doctors Community Hospital Issue (2016)	June 29, 2016	31,945	2030	31,560
The Key School Issue (2016A)	July 21, 2016	15,999	2046	15,161
Severn School Issue (2016A)	August 31, 2016	12,500	2036	10,052
University of Maryland Medical System Issue (2016A)	September 27, 2016	36,640	2034	31,555
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

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<b>ISSUE DATE</b>	<b>AMOUNT ISSUED</b>	<b>FINAL MATURITY</b>	<b>BONDS AND NOTES PAYABLE JUNE 30, 2021</b>
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	2,274
University of Maryland Medical System Issue (2016E)	October 13, 2016	54,370	2039	47,410
University of Maryland Medical System Issue (2016F)	October 13, 2016	54,360	2039	49,455
Charlestown Community Issue (2016B)	November 2, 2016	30,000	2045	27,105
Charlestown Community Issue (2016C)	December 1, 2016	25,000	2045	24,105
Adventist HealthCare Issue (2016B)	December 14, 2016	126,395	2046	121,330
University of Maryland Medical System Issue (2017A)	January 3, 2017	46,220	2042	41,635
Roland Park Place Issue (2017)	March 2, 2017	30,000	2042	30,000
Greater Baltimore Medical Center Issue (2017)	March 8, 2017	73,720	2034	70,700
Kennedy Krieger Issue (2017A)	March 9, 2017	23,000	2042	21,695
Kennedy Krieger Issue (2017B)	March 9, 2017	27,510	2037	25,204
Connelly School of the Holy Child Issue (2017A)	March 28, 2017	3,980	2037	3,545
The Vestry of Holy Trinity Parish Issue (2017)	March 29, 2017	3,481	2027	3,128
Doctors Community Hospital Issue (2017B)	April 4, 2017	38,710	2024	19,645
Bryn Mawr School Issue (2017A)	June 13, 2017	8,045	2042	7,548
Bryn Mawr School Issue (2017B)	June 13, 2017	4,000	2042	3,666
Frederick Memorial Hospital Issue (2017B)	June 15, 2017	60,645	2035	47,230
Goucher College Issue (2017B)	June 22, 2017	30,000	2033	25,392
Atlantic General Hospital Issue (2017A)	September 14, 2017	7,501	2027	5,911
Atlantic General Hospital Issue (2017B)	September 14, 2017	20,013	2042	20,013
The Johns Hopkins Health System Issue (2017B)	October 11, 2017	168,825	2038	151,095
The Johns Hopkins Health System Issue (2012E/2017C)	November 16, 2017	7,500	2057	100,000
Adventist HealthCare Issue (2017)	December 14, 2017	40,000	2042	37,000
Sheppard Pratt Issue (2017)	December 20, 2017	178,748	2048	165,040
Calvert Hall College Issue (2017)	December 21, 2017	16,000	2038	14,108
The Johns Hopkins Health System Issue (2018A)	April 25, 2018	48,245	2048	48,245
The Johns Hopkins Health System Issue (2018B)	May 10, 2018	88,250	2046	88,250
Annapolis Life Care Issue (2018A)	August 21, 2018	38,981	2048	37,087
Annapolis Life Care Issue (2018B)	August 21, 2018	10,000	2048	9,894
Notre Dame Preparatory School Issue (2018)	August 30, 2018	7,000	2048	6,087
Sandy Spring Friends School Issue (2018A)	September 20, 2018	14,461	2048	13,732
Sandy Spring Friends School Issue (2018B)	September 20, 2018	8,000	2048	7,863
Sandy Spring Friends School Issue (2018C)	September 20, 2018	6,025	2025	4,025
Stella Maris Issue, Series 2018	December 19, 2018	21,000	2050	18,650
Rockbridge Academy Issue (2019A)	January 16, 2019	5,250	2022	5,250
Rockbridge Academy Issue (2019B)	January 16, 2019	2,000	2024	654
Stone Ridge School Issue (2019A)	June 18, 2019	25,000	2049	20,271
Springwell Senior Living Issue (2019) (Taxable)	July 17, 2019	35,639	2034	33,692
St. Paul's Schools Issue (2019A)	July 24, 2019	5,000	2049	5,000
St. Paul's Schools Issue (2019B)	July 24, 2019	20,000	2029	8,314
Roland Park Place Issue (2019A)	July 31, 2019	20,000	2049	20,000
Roland Park Place Issue (2019B)	July 31, 2019	40,000	2049	17,913
Beth Tfiloh Dahan Community School Issue (2019)	August 28, 2019	8,600	2044	8,162
Maryland School for the Blind Issue (2019)	September 25, 2019	20,713	2049	19,829
The SEED School of Maryland Issue (2019)	October 17, 2019	20,500	2037	18,988
Patterson Park Public Charter School Issue (2019)	October 23, 2019	11,716	2046	11,716
Bishop McNamara High School Issue (2019A)	December 17, 2019	3,750	2039	102
Bishop McNamara High School Issue (2019B)	December 17, 2019	8,000	2029	102
The Boys' Latin School of Maryland Issue (2020A)	January 16, 2020	14,000	2050	13,579
The Boys' Latin School of Maryland Issue (2020B)	January 16, 2020	12,000	2050	12,000
Integrace Issue (2020A)	February 6, 2020	87,110	2049	87,110
Integrace Issue (2020B) (Taxable)	February 6, 2020	12,195	2026	12,195
Legends Charter School Issue, Series 2020A	March 12, 2020	25,000	2055	25,000
Legends Charter School Issue, Series 2020B (Taxable)	March 12, 2020	1,000	2027	1,000
Norwood School Issue (2020)	May 4, 2020	10,500	2050	51
Roland Park Country School Issue (2020)	August 6, 2020	13,000	2050	9,413
Kennedy Krieger Institute, Issue (2020)	August 20, 2020	14,300	2036	13,350
Stevenson University Issue (2021B) (Taxable)	January 28, 2021	14,779	2028	14,779
Calvert Health System Issue (2021)	April 15, 2021	16,539	2035	16,467
Mercy Medical Center Issue (2021)	April 21, 2021	46,680	2031	46,680
<b>Private Placements and Limited Offerings Outstanding</b>		<b>\$ 3,254,458</b>		<b>\$ 2,532,044</b>
<b>Total Outstanding</b>		<b>\$ 10,569,628</b>		<b>\$ 8,475,239</b>

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JUNE 30, 2021</i>
Adventist HealthCare Issue, Series 2011A	September 1, 2011	\$ 57,205	2036	\$ 57,205
Adventist HealthCare Issue (2013)	June 12, 2013	15,624	2025	6,037
Adventist HealthCare Issue, Series 2016A	December 14, 2016	269,750	2046	261,845
Adventist HealthCare Issue (2016B)	December 14, 2016	126,395	2046	121,330
Adventist HealthCare Issue (2017)	December 14, 2017	40,000	2042	37,000
Adventist HealthCare Issue, Series 2020	December 30, 2020	18,725	2038	18,725
		<u>527,699</u>		<u>502,142</u>
Annapolis Life Care Issue (2018A)	August 21, 2018	38,981	2048	37,087
Annapolis Life Care Issue (2018B)	August 21, 2018	10,000	2048	9,894
		<u>48,981</u>		<u>46,981</u>
Anne Arundel Medical Center Issue, Series 2009B	February 19, 2009	60,000	2043	60,000
Anne Arundel Health System Issue, Series 2012	November 1, 2012	73,625	2034	54,135
Anne Arundel Health System Issue, Series 2014	November 26, 2014	127,305	2039	111,460
Anne Arundel Health System Issue, Series 2017A	November 1, 2017	42,485	2034	39,145
Anne Arundel Health System Issue, Series 2017B (Taxable)	November 1, 2017	17,760	2027	15,545
		<u>321,175</u>		<u>280,285</u>
Archdiocese of Baltimore Schools Issue (2007)	June 21, 2007	24,165	2037	21,675
Atlantic General Hospital Issue (2017A)	September 14, 2017	7,501	2027	5,911
Atlantic General Hospital Issue (2017B)	September 14, 2017	20,013	2042	20,013
		<u>27,514</u>		<u>25,924</u>
Augsburg Lutheran Home Issue (2013A)	December 5, 2013	9,483	2035	6,853
Augsburg Lutheran Home Issue (2013B)	December 5, 2013	9,483	2035	6,984
		<u>18,966</u>		<u>13,837</u>
Beth Tfiloh Dahan Community School Issue (2019)	August 28, 2019	8,600	2044	8,162
Bishop McNamara High School Issue (2016)	June 23, 2016	16,880	2041	9,362
Bishop McNamara High School Issue (2019A)	December 17, 2019	3,750	2039	102
Bishop McNamara High School Issue (2019B)	December 17, 2019	8,000	2029	102
		<u>28,630</u>		<u>9,566</u>
Broadmead Issue, Series 2018A	October 18, 2018	60,555	2048	60,160
Bryn Mawr School Issue (2017A)	June 13, 2017	8,045	2042	7,548
Bryn Mawr School Issue (2017B)	June 13, 2017	4,000	2042	3,666
		<u>12,045</u>		<u>11,214</u>
Calvert Hall College Issue (2017)	December 21, 2017	16,000	2038	14,108
Calvert Health System Issue (2021)	April 15, 2021	16,539	2035	16,467
Charles County Nursing and Rehabilitation Center Issue (2012A)	June 19, 2012	5,446	2037	3,957
Charles County Nursing and Rehabilitation Center Issue (2012B)	June 19, 2012	2,554	2037	2,024
		<u>8,000</u>		<u>5,981</u>
Charlestown Community Issue, Series 2016A	November 2, 2016	89,600	2045	82,905
Charlestown Community Issue (2016B)	November 2, 2016	30,000	2045	27,105
Charlestown Community Issue (2016C)	December 1, 2016	25,000	2045	24,105
		<u>144,600</u>		<u>134,115</u>
Christ Episcopal School Issue (2010)	December 20, 2010	3,868	2035	2,801
City Neighbors Schools Issue, Series 2013A	December 19, 2013	10,745	2044	9,900
Connelly School of the Holy Child Issue (2017A)	March 28, 2017	3,980	2037	3,545
DeMatha Catholic High School Issue (2014)	November 13, 2014	17,750	2039	14,705
Doctors Community Hospital Issue (2016)	June 29, 2016	31,945	2030	31,560
Doctors Community Hospital Issue, Series 2017A	February 23, 2017	64,165	2038	64,165
Doctors Community Hospital Issue (2017B)	April 4, 2017	38,710	2024	19,645
		<u>134,820</u>		<u>115,370</u>

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JUNE 30, 2021</i>
Edenwald Issue, Series 2015	October 14, 2015	49,030	2037	41,460
Family Services Issue (2014)	March 4, 2014	4,430	2039	3,266
Frederick Memorial Hospital Issue, Series 2012A	December 5, 2012	96,240	2038	2,475
Frederick Memorial Hospital Issue (2017B)	June 15, 2017	60,645	2035	47,230
Frederick Health System Issue, Series 2020	June 25, 2020	<u>62,645</u>	2050	<u>62,645</u>
		219,530		112,350
Friends Community School Issue (2015)	December 17, 2015	4,900	2045	4,276
Friends School of Baltimore Issue (2004)	April 1, 2004	7,500	2029	3,624
Gaudenzia Foundation Issue, Series 2007	December 12, 2007	5,500	2028	2,435
Gilman School Issue (2014)	October 16, 2014	35,500	2050	35,500
Goucher College Issue, Series 2012A	August 30, 2012	19,945	2034	18,745
Goucher College Issue, Series 2017A	June 22, 2017	57,565	2044	55,705
Goucher College Issue (2017B)	June 22, 2017	<u>30,000</u>	2033	<u>25,392</u>
		107,510		99,842
Greater Baltimore Medical Center Issue, Series 1995	October 11, 1995	10,000	2025	2,730
Greater Baltimore Medical Center Issue, Series 2011	April 20, 2011	67,945	2034	8,925
Greater Baltimore Medical Center Issue, Series 2012A	April 11, 2012	35,680	2034	3,475
Greater Baltimore Medical Center Issue (2017)	March 8, 2017	<u>73,720</u>	2034	<u>70,700</u>
		187,345		85,830
Green Street Academy Issue, Series 2017A	June 27, 2017	21,040	2052	21,040
Green Street Academy Issue, Series 2017B (Taxable)	June 27, 2017	<u>1,075</u>	2023	<u>820</u>
		22,115		21,860
Hebrew Home of Greater Washington Issue (2012)	December 20, 2012	21,308	2032	13,551
Indian Creek School Issue (2015)	August 27, 2015	12,810	2030	9,871
Integrace Issue (2020A)	February 6, 2020	87,110	2049	87,110
Integrace Issue (2020B) (Taxable)	February 6, 2020	<u>12,195</u>	2026	<u>12,195</u>
		99,305		99,305
Kennedy Krieger Issue (2013)	July 24, 2013	16,730	2033	14,550
Kennedy Krieger Issue (2017A)	March 9, 2017	23,000	2042	21,695
Kennedy Krieger Issue (2017B)	March 9, 2017	27,510	2037	25,204
Kennedy Krieger Institute, Issue (2020)	August 20, 2020	<u>14,300</u>	2036	<u>13,350</u>
		81,540		74,799
Keswick Multi-Care Center Issue (2007)	August 9, 2007	11,520	2037	10,315
Landon School Issue (2011)	June 2, 2011	10,114	2028	4,165
Legends Charter School Issue, Series 2020A	March 12, 2020	25,000	2055	25,000
Legends Charter School Issue, Series 2020B (Taxable)	March 12, 2020	<u>1,000</u>	2027	<u>1,000</u>
		26,000		26,000
LifeBridge Health Issue, Series 2011	March 30, 2011	50,695	2041	1,100
Carroll Hospital Center Issue, Series 2012A	May 31, 2012	59,780	2022	3,695
LifeBridge Health Issue, Series 2015	July 30, 2015	159,685	2047	157,250
LifeBridge Health Issue, Series 2016	November 9, 2016	120,695	2047	119,200
LifeBridge Health Issue, Series 2017	November 9, 2017	<u>118,120</u>	2044	<u>107,910</u>
		508,975		389,155
Linwood Center Issue (2012)	September 19, 2012	4,500	2038	2,475

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JUNE 30, 2021</i>
Loyola University Maryland Issue, Series 2012A	June 7, 2012	49,250	2039	2,590
Loyola University Maryland Issue, Series 2014	October 30, 2014	60,365	2045	60,365
Loyola University Maryland Issue, Series 2019A	December 19, 2019	43,640	2049	40,745
Loyola University Maryland Issue, Series 2019B (Taxable)	December 19, 2019	34,775	2039	34,775
		<u>188,030</u>		<u>138,475</u>
Maryland Institute College of Art Issue, Series 2012	October 10, 2012	33,985	2047	28,140
Maryland Institute College of Art Issue, Series 2016	October 6, 2016	37,990	2042	37,110
Maryland Institute College of Art Issue, Series 2017	March 7, 2017	17,585	2042	16,570
		<u>89,560</u>		<u>81,820</u>
Maryland School for the Blind Issue (2019)	September 25, 2019	20,713	2049	19,829
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	2024	10,575
MedStar Health Issue (2012)	June 27, 2012	38,620	2022	13,990
MedStar Health Issue, Series 2013A	March 21, 2013	117,785	2041	112,605
MedStar Health Issue, Series 2013B	May 21, 2013	149,760	2038	149,760
MedStar Health Issue, Series 2015	February 11, 2015	357,205	2045	328,340
Medstar Health Issue, Series 2017A	June 29, 2017	395,055	2047	395,055
		<u>1,436,860</u>		<u>1,149,340</u>
Mercy Medical Center Issue, Series 2006	August 3, 2006	35,000	2036	26,160
Mercy Medical Center Issue, Series 2007B & 2007C (Converted)	April 1, 2010	18,080	2034	13,540
Mercy Medical Center Issue, Series 2011	February 24, 2011	40,770	2031	36,385
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 (2016B)	May 19, 2016	35,055	2037	35,055
Mercy Medical Center Issue (2016C)	May 19, 2016	65,450	2042	59,720
Mercy Medical Center Issue (2021)	April 21, 2021	46,680	2031	46,680
		<u>426,280</u>		<u>402,785</u>
Mercy Ridge Issue, Series 2000	March 1, 2000	69,305	2031	15,400
Mercy Ridge Issue, Series 2007	March 22, 2007	23,445	2035	18,545
		<u>92,750</u>		<u>33,945</u>
Meritus Medical Center Issue, Series 2015	July 9, 2015	257,300	2045	235,195
Mosaic Community Services Issue (2016)	September 28, 2016	4,066	2026	2,274
Mount St. Joseph Issue (2012A)	September 27, 2012	14,000	2042	11,117
Mt. Airy Christian Academy Issue (2005)	August 26, 2005	2,500	2031	444
Norwood School Issue (2020)	May 4, 2020	10,500	2050	51
College of Notre Dame of Maryland Issue, Series 2010	November 24, 2010	11,495	2035	7,935
Notre Dame of Maryland University Issue, Series 2012	June 25, 2012	21,195	2042	16,500
		<u>32,690</u>		<u>24,435</u>
Notre Dame Preparatory School Issue (2018)	August 30, 2018	7,000	2048	6,087
Odenton Christian School Issue, Series 2008	March 19, 2008	3,590	2033	3,535
Oldfields School Issue (2010)	April 14, 2010	2,985	2032	1,075
Our Lady of Good Counsel Issue (2014A)	March 12, 2014	31,125	2045	24,751
Our Lady of Good Counsel Issue (2015B)	March 17, 2015	2,950	2045	2,428
Our Lady of Good Counsel Issue (2015C)	March 17, 2015	8,000	2024	2,101
		<u>42,075</u>		<u>29,280</u>
Park School Issue (2010)	December 1, 2010	14,590	2034	8,593
Patterson Park Public Charter School Issue (2019)	October 23, 2019	11,716	2046	11,716

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JUNE 30, 2021</i>
Peninsula Regional Medical Center Issue, Series 2015	February 5, 2015	126,665	2045	10,425
Peninsula Regional Health System Issue, Series 2020A	May 13, 2020	95,995	2048	95,995
		<u>222,660</u>		<u>106,420</u>
Pickersgill Issue (2012)	June 28, 2012	31,150	2033	20,928
Pooled Loan Program, Series 1985A & B	December 30, 1985	175,000	2035	175,000
Pooled Loan Program, Series D	January 1, 1994	418,516	2039	3,580
Rockbridge Academy Issue (2019A)	January 16, 2019	5,250	2022	5,250
Rockbridge Academy Issue (2019B)	January 16, 2019	2,000	2024	654
		<u>7,250</u>		<u>5,904</u>
Roland Park Country School Issue (2020)	August 6, 2020	13,000	2050	9,413
Roland Park Place Issue (2013)	April 10, 2013	19,966	2024	5,683
Roland Park Place Issue (2017)	March 2, 2017	30,000	2042	30,000
Roland Park Place Issue (2019A)	July 31, 2019	20,000	2049	20,000
Roland Park Place Issue (2019B)	July 31, 2019	40,000	2049	17,913
		<u>109,966</u>		<u>73,596</u>
Sandy Spring Friends School Issue (2018A)	September 20, 2018	14,461	2048	13,732
Sandy Spring Friends School Issue (2018B)	September 20, 2018	8,000	2048	7,863
Sandy Spring Friends School Issue (2018C)	September 20, 2018	6,025	2025	4,025
		<u>28,486</u>		<u>25,620</u>
Severn School Issue (2016A)	August 31, 2016	12,500	2036	10,052
Sheppard Pratt Issue (2017)	December 20, 2017	178,748	2048	165,040
Springwell Senior Living Issue (2019) (Taxable)	July 17, 2019	35,639	2034	33,692
St. John's College Issue, Series 2020	July 27, 2020	8,430	2040	8,120
St. John's Episcopal Day School Issue (2001)	December 21, 2001	7,000	2032	3,799
St. Mary's Nursing Center Issue (2012)	June 19, 2012	5,350	2037	3,872
St. Paul's Schools Issue (2019A)	July 24, 2019	5,000	2049	5,000
St. Paul's Schools Issue (2019B)	July 24, 2019	20,000	2029	8,314
		<u>25,000</u>		<u>13,314</u>
Stella Maris Issue, Series 2018	December 19, 2018	21,000	2050	18,650
Stevenson University Issue, Series 2021A	January 28, 2021	126,380	2028	126,380
Stevenson University Issue (2021B) (Taxable)	January 28, 2021	14,779	2028	14,779
		<u>141,159</u>		<u>141,159</u>
Stone Ridge School Issue (2019A)	June 18, 2019	25,000	2049	20,271
The Boys' Latin School of Maryland Issue (2020A)	January 16, 2020	14,000	2050	13,579
The Boys' Latin School of Maryland Issue (2020B)	January 16, 2020	12,000	2050	12,000
		<u>26,000</u>		<u>25,579</u>
The Foundation Schools Issue (2012)	July 25, 2012	6,221	2037	4,507
The Johns Hopkins Health System Issue, Commercial Paper, Series B	February 9, 2004	40,000	2024	35,760
The Johns Hopkins Health System Obligated Group Issue, Series 2012B	May 3, 2012	97,560	2033	8,230
The Johns Hopkins Health System Issue, Series 2013C	August 28, 2013	238,000	2043	3,765
The Johns Hopkins Health System Issue, Series 2015A	May 12, 2015	134,735	2040	121,835
The Johns Hopkins Health System Issue (2016A)	May 31, 2016	48,565	2037	25,710
The Johns Hopkins Health System Issue (2016B)	June 20, 2016	48,245	2042	48,245
The Johns Hopkins Health System Issue (2017B)	October 11, 2017	168,825	2038	151,095
The Johns Hopkins Health System Issue (2012E/2017C)	November 16, 2017	7,500	2057	100,000
The Johns Hopkins Health System Issue (2018A)	April 25, 2018	48,245	2048	48,245
The Johns Hopkins Health System Issue (2018B)	May 10, 2018	88,250	2046	88,250
		<u>919,925</u>		<u>631,135</u>

# Maryland Health and Higher Educational Facilities Authority

## Additional Information - Conduit Debt Outstanding by Borrower

As of June 30, 2021, the principal amount of bonds and notes outstanding is as follows (in thousands of dollars):	<i>ISSUE DATE</i>	<i>AMOUNT ISSUED</i>	<i>FINAL MATURITY</i>	<i>BONDS AND NOTES PAYABLE JUNE 30, 2021</i>
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 1996	March 28, 1996	42,425	2026	16,230
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2001	August 29, 2001	28,030	2034	18,100
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004	May 26, 2004	35,665	2034	33,940
The Johns Hopkins Medical Institutions Parking Facilities Issue, Series 2004B	December 1, 2004	33,035	2038	23,655
		139,155		91,925
The Johns Hopkins Medical Institutions Utilities Issue, Series 2015A	May 12, 2015	19,505	2037	19,505
The Johns Hopkins University Issue, Series 2005A	March 3, 2005	69,265	2036	69,265
The Johns Hopkins University Issue, Series 2013B	June 20, 2013	99,625	2041	91,030
		168,890		160,295
The Key School Issue (2016A)	July 21, 2016	15,999	2046	15,161
The SEED School of Maryland Issue (2019)	October 17, 2019	20,500	2037	18,988
The Vestry of Holy Trinity Parish Issue (2017)	March 29, 2017	3,481	2027	3,128
Trinity Health Credit Group Series 2017MD	January 19, 2017	30,065	2046	30,065
Trinity School Issue (2013)	January 24, 2013	6,450	2026	2,972
Union Hospital of Cecil County Issue (2012A)	July 18, 2012	9,924	2022	1,128
Union Hospital of Cecil County Issue (2012B)	July 18, 2012	4,007	2022	501
Union Hospital of Cecil County Issue (2014)	December 10, 2014	30,778	2039	29,998
		44,709		31,627
University of Maryland Faculty Physicians Issue (2015)	December 1, 2015	12,615	2031	8,710
University of Maryland Medical System Issue, Series 2007A	September 12, 2007	96,445	2034	73,280
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	2041	55,000
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	72,140
University of Maryland Medical System Issue (2016A)	September 27, 2016	36,640	2034	31,555
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	47,410
University of Maryland Medical System Issue (2016F)	October 13, 2016	54,360	2039	49,455
University of Maryland Medical System Issue (2017A)	January 3, 2017	46,220	2042	41,635
University of Maryland Medical System Issue, Series 2017B	February 2, 2017	152,410	2039	142,985
University of Maryland Medical System Issue, Series 2017C (Taxable)	February 2, 2017	121,400	2029	107,165
University of Maryland Medical System Issue, Series 2017D	December 19, 2017	145,265	2048	145,265
University of Maryland Medical System Issue, Series 2017E (Taxable)	December 19, 2017	44,700	2048	44,700
University of Maryland Medical System Issue, Series 2020B-1	July 22, 2020	78,260	2045	78,260
University of Maryland Medical System Issue, Series 2020B-2	July 22, 2020	74,420	2045	74,420
University of Maryland Medical System Issue, Series 2020D (Taxable)	July 22, 2020	600,000	2050	600,000
		1,980,835		1,904,470
UPMC Issue, Series 2020B	April 29, 2020	190,955	2050	188,040
Way Station Issue (2013)	May 2, 2013	7,200	2028	3,689
<b>Total Outstanding</b>		\$ 10,569,628		\$ 8,475,239

## Maryland Health and Higher Educational Facilities Authority Additional Information

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### 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 to be applied in future years to retire the refunded bonds. The escrows 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, 2021 are as follows (in thousands of dollars):

Ascension Health Alliance Senior Credit Group, Series 2012B	\$ 86,025
Calvert Health System Issue, Series 2013	29,680
Carroll Hospital Center Issue, Series 2012A	43,355
Frederick Memorial Hospital Issue, Series 2012A	86,290
Greater Baltimore Medical Center Issue, Series 2011	32,480
Greater Baltimore Medical Center Issue, Series 2012A	32,205
Helix Health Issue, Series 1997	56,005
Johns Hopkins Health System Obligated Group Issue, Series 2012B - (partial redemption)	62,435
Johns Hopkins Health System Obligated Group Issue, Series 2013C - (partial redemption)	222,585
Johns Hopkins Health System Issue, Series 2015D	18,320
Johns Hopkins University Issue, Series 2012A	153,150
LifeBridge Health Issue, Series 2011 - (partial redemption)	41,570
Loyola University Maryland Issue (2012A) - (partial redemption)	31,560
MedStar Health Issue, Series 2011 – (partial redemption)	40,055
Peninsula Regional Medical Center Issue, Series 2015	104,955
University of Maryland Medical System Issue, Series 1991B	12,535
University of Maryland Medical System Issue, Series 2013A	218,200
Western Maryland Health System Issue, Series 2014	<u>171,210</u>
Total	<u>\$1,442,615</u>



## **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

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Fax: (410) 685-1611  
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