

**O.C.G.A. § 31-7-22(b)(2)(F) Response Regarding Bonded Indebtedness and Outstanding Loans**

Please note that O.C.G.A. § 31-7-22(b)(2)(F) requires each nonprofit hospital in Georgia to post a “[l]isting of any bonded indebtedness, outstanding loans, and bond defaults, whether or not in forbearance; and any bond disclosure sites of the hospital.”

Based on a reasonable interpretation, there are nine relevant hospitals within the Emory Healthcare system for purposes of disclosures under O.C.G.A. § 31-7-22: Emory University Hospital, Emory University Hospital Midtown, Emory University Orthopaedics & Spine Hospital, Emory University Hospital Smyrna, Emory Saint Joseph’s Hospital, Emory Johns Creek Hospital, Emory Decatur Hospital, Emory Hillandale Hospital, and Emory Long Term Acute Care.

Currently, bonded indebtedness is held by Emory University. Bond revenue may be used in part for hospital-related projects, depending on a variety of factors and to the extent consistent with the issuance of the particular bond series. However, there are no separate bonds for individual hospitals. A listing of bonds held by Emory University and bonds held by Emory/Saint Joseph’s, Inc. as of the fiscal year 2023 financials, as well as a brief description of material long-term indebtedness and lines of credit as of the fiscal year 2023 financials, appears in the Emory University Consolidated Financial Statements for FY 23, excerpted below. There are presently no bond defaults. (For more information regarding bonds, feel free to visit the Municipal Securities Rulemaking Board’s “EMMA” website: <https://emma.msrb.org/>. Please note that this website is not maintained by, sponsored by, or affiliated with Emory University or Emory Healthcare.)

Long-term debt obligations related to a hospital are, for internal purposes, consolidated into an allocation for that hospital as it relates to the overall central Emory enterprise.

# EMORY UNIVERSITY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

### (12) Bonds and Notes Payable

Bonds and notes payable, including unamortized premiums, discounts, and issuance costs, consisted of the following as of August 31 (dollars in thousands):

	Average Interest Rate	Final Maturity	Outstanding Principal	
			2023	2022
Tax-exempt, fixed-rate revenue bonds:				
2023 Series A	5.00%	September 1, 2033	\$ 142,500	\$ —
2023 Series B	5.00	September 1, 2033	234,750	
2022 Series A	5.00	September 1, 2032	212,055	212,055
2020 Series B	4.63	September 1, 2041	486,470	486,470
2019 Series A	4.96	September 1, 2039	194,625	201,790
2019 Series B	5.00	September 1, 2048	39,725	39,725
2016 Series A	4.62	October 1, 2046	130,030	130,030
2016 Series B	4.17	October 1, 2043	189,915	192,905
2013 Series A	5.00	October 1, 2043	177,850	178,335
Total tax-exempt, fixed-rate revenue bonds			1,807,920	1,441,310
Tax-exempt, variable-rate revenue bonds:				
2022 Series B	2.92	September 1, 2052	110,380	110,380
Total tax-exempt, variable-rate revenue bonds			110,380	110,380
Taxable, fixed-rate reveue bonds:				
2020 Series A	2.41	September 1, 2050	943,750	943,750
1994 Series C	8.00	October 1, 2024	1,590	2,295
Total taxable, fixed-rate revenue bonds			945,340	946,045
Taxable, variable-rate reveue bonds:				
2022 Series C-1 <sup>(1)</sup>	4.75	September 1, 2052	110,450	110,450
2022 Series C-2 <sup>(1)</sup>	4.70	September 1, 2052	110,445	110,445
Total taxable, variable-rate revenue bonds			220,895	220,895
Unamortized bond premiums			269,923	238,788
Bond issuance costs			(11,177)	(9,972)
Total bonds and notes payable			\$ 3,343,281	\$ 2,947,446

<sup>(1)</sup> Average reset rates taken from Electronic Municipal Market Access (EMMA), plus credit facility and remarketing fees

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The University incurred interest expenses of \$94.9 million and \$76.2 million in 2023 and 2022, respectively, net of capitalized interest of \$8.7 million and \$7.6 million in 2023 and 2022, respectively. During 2023, the average interest rate on the University's tax-exempt variable demand bonds, including fees, was 2.92% and the average interest rate on taxable variable bonds, including fees, was 4.73%. Related indices for this period were 2.88% for tax-exempt debt Securities Industry and Financial Markets Association Index (SIFMA), and 4.35% for taxable debt.

As of August 31, 2023 the aggregate annual maturities of bonds and notes payable for the next five years and thereafter are as follows (in thousands):

	2023
PAYABLE IN FISCAL YEAR:	
2024	\$ 11,450
2025	9,990
2026	290,610
2027	11,825
2028	12,185
Thereafter	2,748,475
	3,084,535
Unamortized net premium	269,923
Unamortized net bond issuance costs	(11,177)
	\$ 3,343,281

In June 2023, the University issued \$142.5 million in par value of 2023 Series A bonds and received \$163.0 million in proceeds from the issuance. Additionally, in August 2023, the University issued the 2023 Series B bond under a private placement,

receiving proceeds of \$234.8 million. Under the terms of the bond agreement, in March 2024, the bond will be converted to a public issuance.

The 2008 taxable Commercial Paper program of \$350.0 million had an outstanding balance of \$0.0 million, as of August 31, 2023 and 2022 under this program. In December 2022, the University issued \$225.0 million of commercial paper under this program, which has been repaid in full as of August 31, 2023.

The University has three credit facilities to enable the University to purchase tendered variable rate debt in the event of a failed remarketing. It has a direct-pay letter of credit supporting the 2022 C-1 bonds totaling \$110.5 million, a standby bond purchase agreement supporting 2022 C-2 bonds totaling \$110.5 million, and a revolving credit agreement supporting any self-liquidity debt totaling \$175.0 million. These credit facilities are committed for the sole purpose of supporting these debt instruments and cannot be used for operating needs of the University. There were no draws against any of these facilities in 2023 or 2022.

The University has a syndicated line of credit of \$750.0 million that expires in April 2026. There is no outstanding balance as of August 31, 2023, and 2022. In November 2023, the University borrowed \$100.0 million against the line of credit.

The University has a letter of credit with a commercial bank totaling \$1.1 million. There were no outstanding balances as of August 31, 2023 or 2022. The letter of credit agreement expires in March 2024.

The terms of the University's long-term debt provide for certain financial and nonfinancial covenants, including provisions as to the use of the proceeds, limits as to arbitrage and bond issuance costs, and various other administrative requirements.