

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 2024 financials, as well as a brief description of material long-term indebtedness and lines of credit as of the fiscal year 2024 financials, appears in the Emory University Consolidated Financial Statements for FY 24, 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.

Last Updated: March 03, 2025

EMORY UNIVERSITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2024 AND 2023

(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	
			2024	2023
Tax-exempt, fixed-rate revenue bonds:				
2023 Series A	5.00%	September 1, 2033	\$ 142,500	\$ 142,500
2023 Series B	5.00	September 1, 2033	234,750	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	187,085	194,625
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	4.16	October 1, 2043	186,770	189,915
2013 Series A	5.01	October 1, 2043	177,850	177,850
Total tax-exempt, fixed-rate revenue bonds			1,797,235	1,807,920
Tax-exempt, variable-rate revenue bonds:				
2022 Series B	3.54	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	825	1,590
Total taxable, fixed-rate revenue bonds			944,575	945,340
Taxable, variable-rate reveue bonds:				
2022 Series C-1 ⁽¹⁾	5.72	September 1, 2052	110,450	110,450
2022 Series C-2 ⁽¹⁾	5.67	September 1, 2052	110,445	110,445
Total taxable, variable-rate revenue bonds			220,895	220,895
Unamortized bond premiums			241,856	269,923
Bond issuance costs			(10,662)	(11,177)
Total bonds and notes payable			\$ 3,304,279	\$ 3,343,281

⁽¹⁾ 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 \$110.3 million and \$94.9 million in 2024 and 2023, respectively, net of capitalized interest of \$17.5 million and \$8.7 million in 2024 and 2023, respectively. During 2024, the average interest rate on the University's tax-exempt variable demand bonds, including fees, was 3.54% and the average interest rate on taxable variable bonds, including fees, was 5.70%. Related indices for this period were 3.50% for tax-exempt debt Securities Industry and Financial Markets Association Index (SIFMA), and 5.32% for taxable debt.

As of August 31, 2024 the aggregate annual maturities of bonds and notes payable for the next five years and thereafter are as follows (in thousands):

	2024
PAYABLE IN FISCAL YEAR:	
2025	\$ 9,990
2026	290,610
2027	11,825
2028	12,185
2029	12,845
Thereafter	2,735,630
	3,073,085
Unamortized net premium	241,856
Unamortized net bond issuance costs	(10,662)
	\$ 3,304,279

The 2008 taxable Commercial Paper program of \$350.0 million had an outstanding balance of \$0.0 million, as of August 31, 2024 and 2023 under this program. During fiscal year 2024, the University borrowed \$350.0 million under this program, which was paid back in full prior to year-end.

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 2024 or 2023.

The University has a syndicated line of credit of \$750.0 million that expires in April 2026. During fiscal year 2024, the University borrowed \$150.0 million against the line of credit, which was paid back in full prior to year-end. There is no outstanding balance as of August 31, 2024, and 2023. Through November 2024, the University has borrowed \$325.0 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, 2024 or 2023. The letter of credit agreement expires in March 2025.

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.