




2018 ANNUAL REPORT



Vermont Educational and
Health Buildings Finance Agency



DIRECTORS & OFFICERS

As of 12/31/2018

Gubernatorial Appointment:

JIM POTVIN

Chair

FRITZ BURKHARDT

Vice Chair

ED OGORZALEK

Treasurer

ANITA BOURGEOIS

Director

KEN GIBBONS

Director

KEN LINSLEY

Director

STEVE WISLOSKI

Director

Board Appointment:

NEAL ROBINSON

Director

STUART WEPPLER

Director

Ex-Officio:

BETH PEARCE or designee

Director

AL GOBEILLE or designee

Director

SUSANNE YOUNG or designee

Director

DAN FRENCH or designee

Director

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PURPOSE

The Vermont Educational & Health Buildings Financing Agency (the "Agency" or "VEHBFA") is dedicated to facilitating tax-exempt and taxable bond finance for qualifying non-profit educational and health organizations throughout the state.

2018 ANNUAL REPORT

THE HONORABLE MEMBERS OF THE GENERAL ASSEMBLY

State House
Montpelier, Vermont

THE HONORABLE PHIL SCOTT

Governor, State of Vermont
Pavilion Office Building
Montpelier, Vermont

Dear Governor Scott & Members of the General Assembly:

The staff and Directors of the Vermont Educational and Health Buildings Financing Agency (the "Agency" or "VEHBFA") are pleased to submit to you our 2018 Annual Report.

As a conduit bond issuer, the Agency helps facilitate tax-exempt debt issuances on a pass-through basis to educational institutions, hospitals, and other eligible non-profit borrowers throughout the state.

Activity in the year was limited as the Agency continues to absorb the impact of several high-volume years, although the Agency did provide assistance for a meaningful refinancing that is described in detail later in this report.

Over the course of the Agency's history it has issued nearly \$3.3 billion of bonds benefitting education and healthcare around the state. Approximately \$1 billion of conduit debt facilitated by the Agency remains outstanding.

The following pages of this report include more information on the Agency's work over the course of the past year as well as an overview of the conduit loan portfolio as of December 31, 2018.

Thank you for your continued support in helping us to finance critical social infrastructure throughout the state.

Sincerely,



MICHAEL GAUGHAN
Executive Director



JIM POTVIN
Chair

WHAT WE ARE

VEHBFA was created by the Vermont legislature in 1966 to benefit the people of Vermont as it relates to their education, health, welfare, and prosperity. VEBFA subsequently became operational following legislative amendments in 1969.

VEHBFA is governed by a nine-member Board of Directors with seven appointed by the governor and two members selected by gubernatorially selected members. In addition, the Agency's board consists of four ex-officio members including the State Treasurer, and Secretaries of Education, of Human Services, and of Administration, or their designees.

The Agency provides access to tax-exempt and taxable financing as a conduit issuer of bonds.



WHO WE SERVE

The Agency facilitates conduit bond transactions around the state to eligible nonprofit borrowers, by statute, this includes the University of Vermont and the Vermont State Colleges as well as nonprofit private or independent universities, colleges, primary or secondary schools, and nonprofit public libraries.

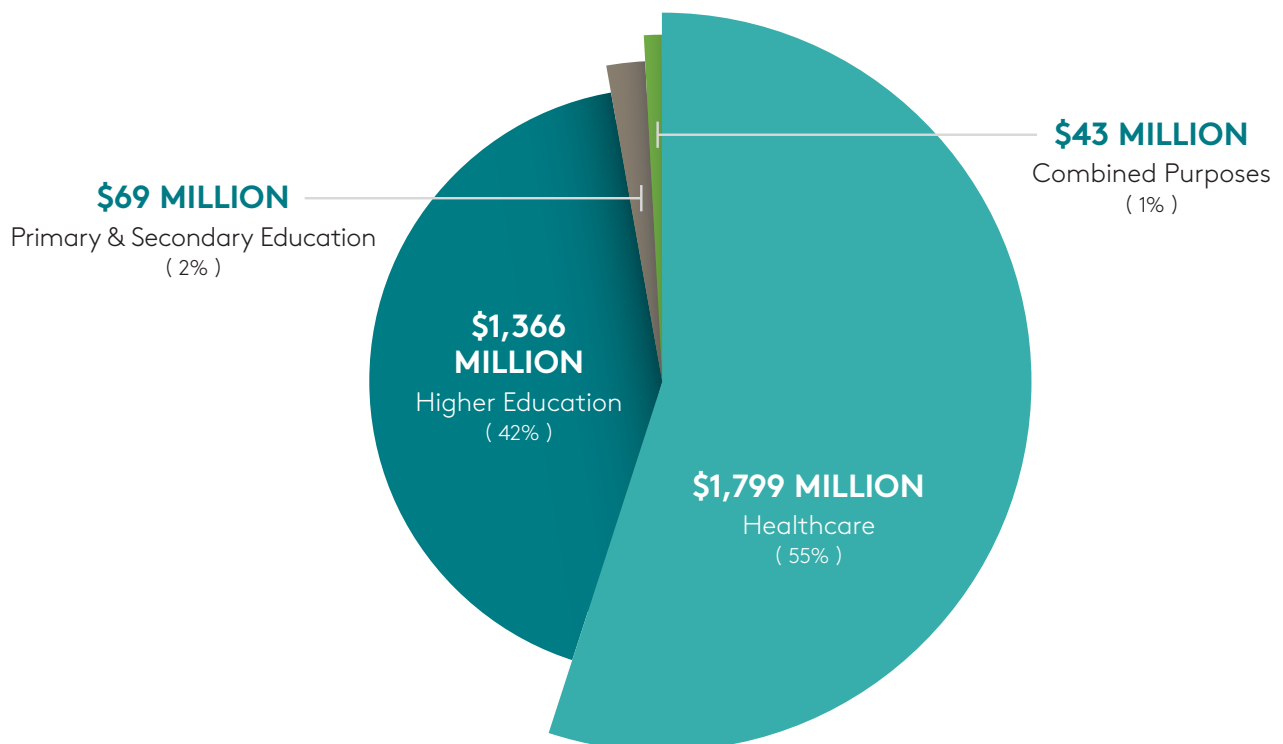
In addition, borrowers may include nonprofit hospitals and institutions operating diagnostic and therapeutic facilities for medical, surgical, or psychiatric care of ambulatory patients. The Agency may also serve licensed nursing homes and assisted living or continuing care facilities.

The Agency has facilitated nearly \$3.3 billion in financing over the course of its history.

All data below as of 12/31/2018.

TOTAL HISTORIC ISSUANCE BY SECTOR SERVED

\$3.278 BILLION



OUR IMPACT

Over the past 5 years alone, the Agency helped 501(c)(3) borrowers refinance or fund nearly \$600 million in educational and health facilities—including over \$250 million in support of new social infrastructure spending—via Private Activity Bonds (PABs).

CASE STUDY: St. Johnsbury Academy



TOTAL BONDS ISSUED: 5 issues totaling \$36.11 million

TOTAL BONDS ISSUED OUTSTANDING: 1 issue totaling \$8.88 million

PROFILE:

St. Johnsbury Academy, founded in 1842, is a comprehensive coeducational, independent day and boarding school for students in grades 9 to 12 and a post-graduate year. The Academy offers over 200 courses at four levels of difficulty including Advanced Placement, Career and Technical Education, Special Education, visual and performing arts, engineering and robotics, foreign language, etc. The campus sits on 43 acres on Main Street in St. Johnsbury, Vermont and is accredited by the New England Association of Schools and Colleges. Approximately 975 students are enrolled at the Academy including 240 boarding students from 26 countries.

ISSUE:

The Academy previously issued \$10.6 million with VEHBFA as a direct purchase bank placement. The Academy returned to VEHBFA to refinance the prior bonds with a new direct purchase bank placement.

ASSISTANCE PROVIDED:

VEHBFA engaged professional services and worked with the Board to schedule and authorize the transaction. As a result of the refinancing, the Academy was able to secure a term that corresponded with the end of the amortization period while giving clarity to the lifetime costs of the bonds.

OUTSTANDING LOANS

IN CONDUIT BOND PROGRAM

BORROWER	\$ AMOUNT OUTSTANDING AS OF DECEMBER 31, 2018
BRATTLEBORO MEMORIAL HOSPITAL	8,201,412
BRATTLEBORO RETREAT	11,245,000
CAPITAL ASSET POOL #2	590,000
CHAMPLAIN COLLEGE	71,530,000
DEVELOPMENT & MENTAL HEALTH ACQUISITION POOL	15,130,000
GIFFORD MEDICAL CENTER	18,332,621
LANDMARK COLLEGE	21,811,612
MIDDLEBURY COLLEGE	240,500,000
NORTH COUNTRY HOSPITAL	16,828,452
NORTHEASTERN VERMONT REGIONAL HOSPITAL	10,660,754
NORTHWESTERN MEDICAL CENTER	32,560,119
NORWICH UNIVERSITY	80,945,000
PORTER MEDICAL CENTER	13,706,287
RUTLAND REGIONAL MEDICAL CENTER	31,350,000
SOUTHWESTERN VERMONT MEDICAL CENTER	7,050,000
ST. JOHNSBURY ACADEMY	8,881,000
ST. MICHAEL'S COLLEGE	50,290,000
STRATTON MOUNTAIN SCHOOL	6,377,321
UNIVERSITY OF VERMONT MEDICAL CENTER	352,625,000
TOTAL	998,614,578



VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY
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