The Washington Health Care Facilities Authority was created by the Legislature in 1974 to help minimize the capital costs of construction and financing of modern, well equipped health care facilities and equipment for nonprofit health care providers in the state. The authority accomplishes its mission by issuing tax exempt revenue bonds on behalf of the nonprofit and governmental health care providers and lending the proceeds to the health care providers. By utilizing the authority, health care providers' interest costs may be up to two percentage points less than a taxable interest rate loan. The bonds issued by the authority are not obligations of the state of Washington. In calendar year 2015, authority-assisted health care providers avoided higher interest costs in the amount of approximately $68.5 million.

Since the authority began operation, it has issued a total of over $15.8 billion in tax exempt debt for health care providers in the state, of which approximately $5.6 billion is outstanding as of June 30, 2016. The authority has completed over 444 separate bond issues for a variety of nonprofit health care providers, including hospitals, cancer research centers, community and migrant health centers, community mental health providers, alcohol and chemical dependency treatment providers, and other health care providers.

The authority is prohibited from receiving any funds from the state, and its funds are neither budgeted nor appropriated. The authority is a self-sustaining, proprietary agency that charges its clients for services performed.

**Agency Mission**

To effectively assist nonprofit health care providers in Washington to minimize their capital costs of construction, financing and use thereof in an effort to lower the expense of health care services by providing access to capital, information on the capital markets, and low cost financing alternatives.
Agency Local Funds

Washington Health Care Facilities Authority Trust Fund

The Washington Health Care Facilities Authority Trust Fund is used to pay all expenses of the Authority. Authority revenues are derived from fees and charges to Authority health care clients including application charges, annual charges (based upon the outstanding bond principal), and other sources such as interest contributions. The Authority sets aside approximately $1.6 million as an insurance reserve to cover agency insurance contingencies and to fund insurance deductibles. The Authority also maintains operation reserves to cover unanticipated expenses and/or shortfalls in revenues. By law, the agency may not receive funds from the state of Washington.

Statement of Local Fund Balances

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<td>Washington Health Care Facilities Authority Trust Fund</td>
<td>3,551,377</td>
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