

ANNUAL REPORT
OF
ARKANSAS HOSPITAL EQUIPMENT
FINANCE AUTHORITY
FOR
2004

January 14, 2005

The Honorable Mike Huckabee
Governor
State Capitol Building
Little Rock, Arkansas 72201

The Honorable Charlie Daniels
Secretary of State
State Capitol Building
Little Rock, Arkansas 72201

Re: Annual Report of Arkansas Hospital Equipment
Finance Authority for 2004

Dear Governor Huckabee and Mr. Daniels:

Arkansas Hospital Equipment Finance Authority, a public trust (the "Authority"), presents the following report for 2004.

Officers

The following were the officers of the Authority for 2004:

Joe A. Woodson	Chairman
John Garrison	Secretary-Treasurer
Frank L. Martin	Vice-Chairman
Lathan Hairston	Assistant Secretary-Treasurer

Loans

The Authority has an outstanding loan in the original principal amount of \$25,000,000 from its Variable/Fixed Rate Demand Hospital Equipment Revenue Bonds (Baptist Health Project), Series 1995 (the "1995 Bonds"). The loan was made to Baptist Health in Little Rock.

The loan was dated as of November 1, 1995 and the outstanding principal amount as of December 31, 2004 was \$25,000,000. The loan matures on November 1, 2010.

The Authority has an outstanding loan in the original principal amount of \$1,000,000 from its Healthcare Center Equipment Revenue Bonds (Arkansas Easter Seal Society, Inc.), Series 1998 (the "1998 Bonds"). The loan was made to Arkansas Easter Seal Society, Inc. in Little Rock. The loan was dated as of December 1, 1998 and the outstanding principal amount as of December 31, 2004 was \$450,000. The loan matures on December 1, 2008.

The Authority has an outstanding loan in the original principal amount of \$3,000,000 from its Healthcare Equipment Revenue Bonds (Arkansas Methodist Hospital), Series 1999 (the "1999 Bonds"). The loan was made to Arkansas Methodist Hospital in Paragould. The loan was dated as of January 1, 1999 and the outstanding principal amount as of December 31, 2004 was \$1,650,000. The loan matures on January 1, 2009.

The Authority has an outstanding loan in the original principal amount of \$5,000,000 from its Healthcare Equipment Revenue Bonds (Rebsamen Regional Medical Center, Inc.), Series 1999 (the "1999A Bonds"). The loan was made to Rebsamen Regional Medical Center in Jacksonville. The loan was dated February 1, 1999 and the outstanding principal amount as of December 31, 2004 was \$2,755,000. The loan matures on February 1, 2009.

The Authority has an outstanding loan in the original principal amount of \$15,000,000 from its Variable Rate Demand Revenue Bonds (AHA Pooled Financing Program), Series 1998A (the "1998A Bonds"). The loan was made to Arkansas Children's Hospital in Little Rock and is dated April 30, 1999. As of December 31, 2004, the principal amount of the loan outstanding was \$1,856,163. The loan matures on June 26, 2006.

The Authority has an outstanding loan in the original principal amount of \$4,000,000 from its Healthcare Equipment Revenue Bonds (Arkansas Methodist Hospital), Series 2003 (the "2003 Bonds"). The loan was made to Arkansas Methodist Hospital in Paragould. The loan was dated as of July 1, 2003 and the outstanding principal amount as of December 31, 2004 was \$3,640,000. The loan matures on July 1, 2013.

Statement of Funds for 1995 Bonds

The following is a statement of the Authority's funds with respect to the 1995 Bonds as of December 31, 2004:

<u>Name of Fund</u>	<u>Amount</u>
Bond Fund	\$60.93

This fund is held by Regions Bank, Little Rock, Arkansas, as Trustee.

Statement of Funds for 1998 Bonds

The following is a statement of the Authority's funds with respect to the 1998 Bonds as of December 31, 2004:

<u>Name of Fund</u>	<u>Amount</u>
Principal Account	\$ -0-
Interest Account	1,055.31
Debt Service Reserve Account	63,613.75
Bond Redemption Fund	-0-

All of these funds are held by Regions Bank, Little Rock, Arkansas, as Trustee.

Statement of Funds for 1998A Bonds

The following is a statement of the Authority's funds with respect to the 1998A Bonds as of December 31, 2004:

<u>Name of Fund</u>	<u>Amount</u>
Program Fund	\$ -0-
Revenue Fund	16,832.41
Debt Service Reserve Fund	1,549,798.00
Expense Fund	12,380.63
Bond Purchase Fund	-0-
Recycling	1,509,398.87

All of these funds are held by Regions Bank, Little Rock, Arkansas, as Trustee.

Statement of Funds for 1999 Bonds

The following is a statement of the Authority's funds with respect to the 1999 Bonds as of December 31, 2004:

<u>Name of Fund</u>	<u>Amount</u>
Principal Account	\$293,772.71
Interest Account	38,250.88
Debt Service Reserve Account	188,276.25
Bond Redemption Fund	-0-

All of these funds are held by Regions Bank, Little Rock, Arkansas, as Trustee.

Statement of Funds for 1999A Bonds

The following is a statement of the Authority's funds with respect to the 1999A Bonds as of December 31, 2004:

<u>Name of Fund</u>	<u>Amount</u>
Principal Account	\$462,916.69
Interest Account	57,137.73
Debt Service Reserve Account	315,381.25
Bond Redemption Fund	-0-

All of these funds are held by Regions Bank, Little Rock, Arkansas, as Trustee.

Statement of Funds for 2003 Bonds

The following is a statement of the Authority's funds with respect to the 2003 Bonds as of December 31, 2004:

<u>Name of Fund</u>	<u>Amount</u>
Bond Fund	\$235,360.86
Debt Service Reserve Account	236,367.50
Construction Fund	401,023.13
Bond Redemption Fund	-0-

All of these funds are held by Regions Bank, Little Rock, Arkansas, as Trustee.

Debt Service Payments for 1995 Bonds

The Authority paid \$306,063.60 of interest on its 1995 Bonds during 2004. The Authority made no principal payments on the 1995 Bonds in 2004. Therefore, as of December 31, 2004, there was \$25,000,000 in principal amount of the 1995 Bonds outstanding. The 1995 Bonds mature on November 1, 2010.

Debt Service Payments for 1998 Bonds

The Authority paid \$24,342.50 of interest on its 1998 Bonds during 2004. The Authority made \$100,000 of principal payments on the 1998 Bonds in 2004. As of December 31, 2004, there was \$450,000 in principal amount of the 1998 Bonds outstanding. The 1998 Bonds mature on December 1, 2008.

Debt Service Payments for 1998A Bonds

The Authority paid \$118,006.09 of interest on its 1998A Bonds during 2004. The Authority made \$3,000,000 of principal payments on the 1998A Bonds in 2004. As of December 31, 2004, there was \$4,915,000 of principal amount of the 1998A Bonds outstanding. The 1998A Bonds mature on November 1, 2028.

Debt Service Payments for 1999 Bonds

The Authority paid \$78,162.50 of interest on its 1999 Bonds during 2004. The Authority made principal payments on the 1999 Bonds in 2004 in the amount of \$290,000. As of December 31, 2004, there was \$1,650,000 in principal amount of the 1999 Bonds outstanding. The 1999 Bonds mature on January 1, 2009.

Debt Service Payments for 1999A Bonds

The Authority paid \$133,512.50 of interest on its 1999A Bonds during 2004. The Authority made \$485,000 of principal payments on the 1999A Bonds in 2004. As of December 31, 2004, there was \$2,755,000 in principal amount of the 1999A Bonds outstanding. The 1999A Bonds mature on February 1, 2009.

Debt Service Payments for 2003 Bonds

The Authority paid \$108,622.50 of interest on its 1999A Bonds during 2004. The Authority made \$360,000 of principal payments on the 2003 Bonds in 2004. As of December 31, 2004, there was \$3,640,000 in principal amount of the 2003 Bonds outstanding. The 2003 Bonds mature on July 1, 2013.

General Funds

As of December 31, 2004, the Authority had \$22,069.03 in its general fund which it maintains at Regions Bank, Little Rock, Arkansas.

Sincerely,

ARKANSAS HOSPITAL EQUIPMENT
FINANCE AUTHORITY

By Arkansas Hospital Association

By *Phil E. Matthews*
Executive Vice President