

# Westchester County Health Care Corporation

## Long-Term Debt Schedule

### As of December 31, 2017

Long-term debt activity as of December 31, 2017 was as follows (amounts in thousands):

	December 31,		December 31,		Amounts due
	2016	Additions	Reductions	2017	Within
					One Year
2000 Series Bonds (a)	\$ 108,170	\$ -	\$ -	\$ 108,170	\$ -
2010 Series Bonds (b)	176,880	-	(11,250)	165,630	11,825
2011 Series Bonds (c)	63,780	-	(100)	63,680	100
2014 Series Bonds (d)	26,509	-	(454)	26,055	477
2015 Series Bonds (e)	24,223	-	(613)	23,610	639
2016 Series Bonds (f)	283,280	-	(160)	283,120	165
Bond Premium/Discount	25,152	-	(882)	24,270	883
Capital leases (g)	12,142	14,225	(6,004)	20,363	6,596
	<u>\$ 720,136</u>	<u>\$ 14,225</u>	<u>\$ (19,463)</u>	<u>\$ 714,898</u>	<u>\$ 20,685</u>

- a. In 2000, WCHCC participated in a bond offering relating to \$255.1 million Westchester County Health Care Corporation Series 2000 Revenue Bonds consisting of \$113.2 million Series 2000A Senior Lien ("Series 2000A Bonds") with interest varying from 5.875% to 6%. In December 2011, WCHCC participated in a bond remarketing of the Series 2000A Bonds with interest rates varying from 4.50% to 5.00% maturing annually on November 1, 2021 through 2030.

WCHCC has granted a collateral interest in its gross receipts as well as pledged all funds and accounts established with respect to the Series 2000 Bonds, including a debt service reserve fund of approximately \$10.8 million as of December 31, 2017.

Interest expense relating to the Series 2000 Revenue Bonds was approximately \$5.3 million in 2017.

- b. In December 2010, WCHCC participated in a bond offering relating to \$226.1 million Westchester County Health Care Corporation Revenue Bonds, Series 2010, Senior Lien consisting of \$37.4 million Series 2010A (Federally Taxable - Direct Payment - Build America Bonds) with an interest rate of 8.572% and maturing on November 1, 2040; \$124.9 million Series 2010B (Tax-Exempt) with interest rates varying from 4.0% to 6.125% and maturing November 1, 2011 through November 1, 2020, November 1, 2030 and November 1, 2037; \$31.5 million Series 2010C-1 (Federally Taxable - Direct Payment - Build America Bonds) with an interest rate of 8.572% maturing on November 1, 2040; and \$32.4 million Series 2010C-2 (Tax Exempt) with an interest rate of 6.125% maturing on November 1, 2037.

In December 2010, WCHCC also participated in a bond offering relating to \$57.3 million Westchester County Health Care Corporation Revenue Bonds, Series 2010D, Senior Lien (Taxable) bearing interest under a Weekly Interest Rate, such rate being 1.93% at December 31, 2017,

maturing November 1, 2034. The 2010D series consist of variable rate demand bonds (VRDBs). WCHCC has entered into an irrevocable letter of credit (“LOC”) with a financial institution to secure bond repayment and interest obligations associated with its VRDBs. If the VRDBs are unable to be remarketed, the trustee for the VRDBs will request purchase under the LOC scheduled repayment terms. Based on the existing terms of the underlying LOC, the LOC will expire on December 21, 2020.

WCHCC has granted a collateral interest in its gross receipts, as well as pledged all funds and accounts established with respect to the Series 2010 Bonds and Series 2010D Bonds, including a debt service reserve fund of approximately \$11.9 million as of December 31, 2017.

Interest expense relating to the Series 2010 Bonds and Series 2010D Bonds was approximately \$9.2 million in 2017.

- c. In December 2011, WCHCC participated in a bond offering relating to \$64.3 million Westchester County Health Care Corporation Revenue Bonds, Series 2011, Senior Lien consisting of \$49.0 million Series 2011A (Tax-Exempt) with an interest rates varying from 2.0% to 5.32% and maturing November 1, 2012 through November 1, 2026, November 1, 2032 and November 1, 2041 and \$15.3 million Series 2011B (Tax-Exempt) with an interest rate of 5.32% and maturing November 1, 2041.

WCHCC has granted a collateral interest in its gross receipts, as well as pledged all funds and accounts established with respect to the Series 2011 Bonds, including a debt service reserve fund of approximately \$2.3 million as of December 31, 2017.

Interest expense relating to the Series 2011 Bonds was approximately \$3.1 million in 2017.

- d. In May 2014, WCHCC participated in a bond offering relating to \$27.4 million Westchester County Health Care Corporation Revenue Bonds, Series 2014A, Senior Lien with an interest rate of 5.0% and maturing November 1, 2044.

Interest expense relating to the Series 2014 Bonds was approximately \$1.3 million in 2017.

- e. In July 2015, WCHCC participated in a private placement bond offering relating to \$25.0 million Dutchess County Local Development Corporation Revenue Bonds, Series 2015, consisting of \$20.3 million Series 2015A (Tax-Exempt) with an interest rate of 3.75% and maturing August 1, 2030, and \$4.7 million Series 2015B (Taxable) with an interest rate of 5.95% and maturing August 1, 2030.

Interest expense relating to the Series 2015 Bonds was approximately \$1.0 million in 2017.

- f. In March 2016, WCHCC participated in a bond offering related to \$283.6 million Westchester County Local Development Corporation Revenue Bonds, Series 2016 (Westchester Medical Center Obligated Group Project) (Series 2016 Bonds), Tax Exempt with an interest rates varying from 3.0% to 5.0% and maturing annually November 1, through 2034, November 1, 2037 and November 1, 2046.

The proceeds of the Series 2016 Bonds, together with other available funds, (i) are being used to finance certain capital projects at WCHCC facilities; (ii) were used to advance refund a portion of WCHCC’s outstanding Series 2010B Bonds and Series 2010C-2 Bonds; (iii) are being used to fund capitalized interest on the Series 2016 Bonds and (iv) were used to pay costs related to the issuance of the aforementioned bonds.

WCHCC has granted a collateral interest in its gross receipts as well as pledged all funds and accounts established with respect to the Series 2016 Bonds.

Interest expense, net of capitalized interest, relating to the Series 2016 Bonds was approximately \$5.0 million in 2017.

- g. WCHCC has entered into certain capital lease agreements that are collateralized by the underlying equipment or real estate and bear interest at rates between 2.35% and 5.50%. The interest expense under these leases was approximately \$600,000 in 2017.

*Long-Term Debt Service Coverage Ratio*

Under Section 6.13(a) of the Series 2000 Bonds Master Trust Indenture (“MTI”) between WCHCC and Deutsche Bank as the Master Trustee, the Obligated Group, which is defined as the operating unit of Westchester County Health Care Corporation (the “Medical Center”), must maintain a Long-Term Debt Service Coverage Ratio, tested on a semiannual basis in accordance with the provisions of the MTI, of at least 1.25 for all series of Bonds. During the year ended December 31, 2017, WCHCC met the required Long-Term Debt Service Coverage Ratio.

*Future Principal and Interest Payments*

The following is a schedule by year of future principal and interest payments on the bonds and other long-term debt (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 13,206	\$ 33,318	\$ 46,524
2019	15,317	32,679	47,996
2020	15,792	31,937	47,729
2021	15,179	31,143	46,322
2022	15,922	30,391	46,313
2023-2027	93,635	139,859	233,494
2028-2032	122,286	114,755	237,041
2033-2037	120,914	92,483	213,397
2038-2042	140,312	55,061	195,373
2043-2046	119,702	15,328	135,030
	<u>\$ 672,265</u>	<u>\$ 576,954</u>	<u>\$ 1,249,219</u>

The future minimum lease payments under the capital lease obligations, together with the present value of the minimum lease payments at December 31, 2017 are as follows (amounts in thousands):

<b>Year</b>	<b>Amount</b>
2018	\$ 7,391
2019	4,763
2020	4,086
2021	3,562
2022	2,405
	<u>22,207</u>
Less: Amount representing interest	1,844
Present value of net minimum lease payments	<u>20,363</u>
Less: Current portion	6,596
	<u>\$ 13,767</u>