

# **Westchester County Health Care Corporation**

## **Cash, Cash Equivalents and Investments**

**As of December 31, 2015**

### **Cash and Cash Equivalents and Investments**

WCHCC's cash, cash equivalents, and investment policies are governed by state statutes. Monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Certain funds deposited with banking institutions exceed FDIC limits, however, WCHCC has a collateralization agreement with its depository institutions which management believes reduces the risks related to these balances to a minimal level. WCHCC's cash balances are collateralized under a third party custodian agreement.

At December 31, 2015, cash and cash equivalents consist of cash and all highly liquid instruments with maturities of three months or less at the date of purchase. 96% of cash and cash equivalents resides with a significant financial institution at December 31, 2015.

### **Deposits and Investments**

Deposits and investments consist of the following at December 31, 2015 (amounts in thousands):

	<u>2015</u>
<b>Description</b>	
Bank deposits	\$ 128,662
Mutual funds	28
Equities	30,121
Fixed income:	
US Treasury securities	68,109
Corporate bonds	41,806
	<u>\$ 268,726</u>

**Description on Statement of Net Position**

Cash and cash equivalents	\$ 118,295
Assets restricted as to use, required for current liabilities	29,165
Assets restricted as to use, net	<u>121,266</u>
	<u>\$ 268,726</u>

**Investment Maturities of Fixed Income Securities**

One year or less	\$ 42,608
After one through five years	56,106
After five through ten years	11,201
	<u>\$ 109,915</u>

Estimated fair values have been determined by WCHCC using appropriate valuation methodologies by third parties, quoted market prices, and information available to management.

*Interest Rate Risk* - WCHCC invests in fixed-rate debt and US Treasury securities with approximately one- to ten year maturities. Interest rate risk is limited by the short-term nature of these investments.

*Credit Risk* - WCHCC investments in U.S. Treasury securities carry the explicit guarantee of the U.S. government. The corporate bonds are rated A- to AA+.