

# Westchester County Health Care Corporation

## Long Term Debt Schedule

### As of December 31, 2013 and 2012

Long-term debt activity as of December 31, 2013 and 2012 was as follows:

	<b>December 31, 2012</b>	<b>Additions</b>	<b>Repayments</b>	<b>December 31, 2013</b>	<b>Amounts due Within One Year</b>
<b>Long-term debt</b>					
2000 Series Bonds (a)	\$ 108,170,000	\$ -	\$ -	\$ 108,170,000	\$ -
2010 Series Bonds (b)	266,295,000	-	(9,355,000)	256,940,000	9,815,000
2011 Series Bonds (c)	64,180,000	-	(100,000)	64,080,000	100,000
Capital leases (d)	19,015,840	12,960,912	(7,120,616)	24,856,136	8,735,555
	<u>\$ 457,660,840</u>	<u>\$ 12,960,912</u>	<u>\$ (16,575,616)</u>	<u>\$ 454,046,136</u>	<u>\$ 18,650,555</u>

	<b>December 31, 2011</b>	<b>Additions</b>	<b>Repayments</b>	<b>December 31, 2012</b>	<b>Amounts due Within One Year</b>
<b>Long-term debt</b>					
2000 Series Bonds (a)	\$ 108,170,000	\$ -	\$ -	\$ 108,170,000	\$ -
2010 Series Bonds (b)	275,395,000	-	(9,100,000)	266,295,000	9,355,000
2011 Series Bonds (c)	64,280,000	-	(100,000)	64,180,000	100,000
Capital leases (d)	17,543,539	6,982,024	(5,509,723)	19,015,840	6,454,310
	<u>\$ 465,388,539</u>	<u>\$ 6,982,024</u>	<u>\$ (14,709,723)</u>	<u>\$ 457,660,840</u>	<u>\$ 15,909,310</u>

- a. In 2000, WCHCC participated in a bond offering dated November 1, 2000 relating to \$255,100,000 Westchester County Health Care Corporation Series 2000 Revenue Bonds consisting of \$113,240,000 Series 2000A Senior Lien with interest varying from 5.875% to 6% and maturing on November 1, 2025; and November 1, 2030, \$91,310,000 Series 2000B Subordinate Lien (Westchester County Guaranteed) with interest varying from 5% to 5.375% and maturing on November 1, 2017, November 1, 2020 and November 1, 2030; \$47,575,000 Series 2000C-1 Tax Exempt – Subordinate Lien (Westchester County Guaranteed) with interest varying from 5% to 5.375% maturing on November 1, 2019; and \$2,975,000 Par Adjusted Rate Securities Series 2000C-2 Subordinate Lien (Westchester County Guaranteed) maturing on November 1, 2019. The proceeds of the Series 2000 Bonds, together with available funds, were used to (i) finance the construction of the Children’s Hospital and related projects at the Medical Center (ii) refinance indebtedness of WCHCC to the County (iii) finance certain routine capital projects at WCHCC facilities; (iv) reimburse WCHCC for costs incurred in the acquisition of an on-site parking facility (v) fund, from the proceeds of the Series 2000 Senior Bonds, separate debt service reserve fund accounts for the Series 2000 Senior Bonds and Series 2000 Subordinate Bonds and (vi) pay costs related to the issuance of the aforementioned bonds.

In December 2011, WCHCC participated in a bond remarketing of the Series 2000A Bonds following a call for purchase implemented pursuant to the Master Trust Indenture (MTI).

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 \$10,817,000 as of December 31, 2013 and 2012 (see note 4).

Under Section 6.13(a) of the Series 2000 Bonds MTI between WCHCC and the Bank of New York as the Master Trustee (subsequently changed to Deutsche Bank as the Master Trustee and then US Bank), 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 the Series 2000 Bonds. For the years ended December 31, 2013 and 2012, WCHCC met the required Long-Term Debt Service Coverage Ratio.

The following is a schedule by years of future principal and interest payments on the Series 2000A Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 5,313,900	\$ 5,313,900
2015	-	5,313,900	5,313,900
2016	-	5,313,900	5,313,900
2017	-	5,313,900	5,313,900
2018	-	5,313,900	5,313,900
2019 - 2023	29,010,000	25,166,250	54,176,250
2024 - 2028	56,495,000	14,083,250	70,578,250
2029 - 2030	22,665,000	1,692,000	24,357,000
	<u>\$ 108,170,000</u>	<u>\$ 67,511,000</u>	<u>\$ 175,681,000</u>

Interest expense relating to the Series 2000 Revenue Bonds was approximately \$5,313,900 in 2013 and 2012.

- b. In December 2010, WCHCC participated in a bond offering dated November 1, 2010 relating to \$226,110,000 Westchester County Health Care Corporation Revenue Bonds, Series 2010, Senior Lien consisting of \$37,390,000 Series 2010A (Federally Taxable – Direct Payment – Build America Bonds) with an interest rate of 8.572% and maturing on November 1, 2040; \$124,860,000 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; \$31,450,000 Series 2010C-1 (Federally Taxable – Direct Payment – Build America Bonds) with an interest rate of 8.572% maturing on November 1, 2040; and \$32,410,000 Series 2010C-2 (Tax Exempt) with an interest rate of 6.125% maturing on November 1, 2037.

The following is a schedule by year of future principal and interest payments on the Series 2010 Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 9,815,000	\$ 13,033,196	\$ 22,848,196
2015	10,215,000	12,562,446	22,777,446
2016	10,720,000	12,051,696	22,771,696
2017	11,250,000	11,518,321	22,768,321
2018	11,825,000	10,955,821	22,780,821
2019-2023	22,220,000	48,048,743	70,268,743
2024-2028	3,800,000	46,014,418	49,814,418
2029-2033	5,820,000	43,924,243	49,744,243
2034-2038	72,375,000	36,522,355	108,897,355
2039-2040	41,620,000	5,399,503	47,019,503
	<u>\$ 199,660,000</u>	<u>\$ 240,030,742</u>	<u>\$ 439,690,742</u>

In December 2010, WCHCC also participated in a bond offering dated November 1, 2010 relating to \$57,280,000 Westchester County Health Care Corporation Revenue Bonds, Series 2010D, Senior Lien (Taxable) bearing interest under a Weekly Interest Rate, such rate being 0.12% and 0.16% at December 31, 2013 and 2012, respectively, 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 VRDB 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, 2016.

The following is a schedule by year of future principal and interest payments on the Series 2010D Bonds, assuming an interest rate of 2%:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 1,145,600	\$ 1,145,600
2015	-	1,145,600	1,145,600
2016	-	1,145,389	1,145,389
2017	-	1,144,811	1,144,811
2018	-	1,145,600	1,145,600
2019-2023	-	5,728,000	5,728,000
2024-2028	-	5,728,789	5,728,789
2029-2033	43,440,000	4,878,210	48,318,210
2034	13,840,000	276,800	14,116,800
	<u>\$ 57,280,000</u>	<u>\$ 22,338,799</u>	<u>\$ 79,618,799</u>

The proceeds of the Series 2010 Bonds and Series 2010D Bonds, together with available funds, have and are being used to: (i) finance certain capital projects at WCHCC's facilities that require certificates of need from the Department of Health of the State of New York and (ii) pay costs related to the issuance of the Series 2010A Bonds and Series 2010D 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 2010 Bonds and Series 2010D Bonds, including a debt service reserve fund of approximately \$18,697,000 as of December 31, 2013 and 2012 (see note 4).

Under Section 6.13(a) of the Series 2000 Bonds Master Trust Indenture (MTI) between WCHCC and US 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 the Series 2010 Bonds and Series 2010D Bonds. For the years ended December 31, 2013 and 2012, WCHCC met the required Long-Term Debt Service Coverage Ratio.

Interest expense, net of capitalized interest, relating to the Series 2010 Bonds and Series 2010D Bonds was approximately \$13,430,000 and \$13,600,000 in 2013 and 2012, respectively.

- c. In December 2011, WCHCC participated in a bond offering dated November 1, 2011 relating to \$64,280,000 Westchester County Health Care Corporation Revenue Bonds, Series 2011, Senior Lien consisting of \$48,985,000 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 \$15,295,000 Series 2011B (Tax-Exempt) with an interest rate of 5.32% and maturing November 1, 2041.

The following is a schedule by year of future principal and interest payments on the Series 2011:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 100,000	\$ 3,117,131	\$ 3,217,131
2015	100,000	3,114,131	3,214,131
2016	100,000	3,111,131	3,211,131
2017	100,000	3,108,131	3,208,131
2018	100,000	3,105,131	3,205,131
2019-2023	9,625,000	14,792,681	24,417,681
2024-2028	13,045,000	12,335,681	25,380,681
2029-2033	17,435,000	8,660,388	26,095,388
2034-2038	13,555,000	4,695,013	18,250,013
2039-2041	9,920,000	1,033,713	10,953,713
	<u>\$ 64,080,000</u>	<u>\$ 57,073,131</u>	<u>\$ 121,153,131</u>

The proceeds of the Series 2011 Bonds, together with available funds, are being used to (i) finance certain capital projects at WCHCC facilities; (ii) reimburse WCHCC for prior capital expenditures; (iii) fund a portion of the debt service reserve fund accounts for the Series 2011 Bonds and (iv) 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 2011 Bonds, including a debt service reserve fund of approximately \$2,273,000 as of December 31, 2013 and 2012 (see note 4).

Under Section 6.13(a) of the Series 2000 Bonds Master Trust Indenture (MTI) between WCHCC and US 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 the Series 2011 Bonds. For the years ended December 31, 2013 and 2012, WCHCC met the required Long-Term Debt Service Coverage Ratio.

Interest expense, net of capitalized interest, relating to the Series 2011 Bonds was approximately \$2,996,000 and \$3,320,000 in 2013 and 2012, respectively.

- d. WCHCC has entered into certain capital lease agreements that are collateralized by the underlying equipment and bear interest at rates between 1.82% and 6.49%.

The future minimum lease payments under the capital lease obligations, together with the present value of the minimum lease payments as of December 31, 2013, are as follows:

<b>Year</b>	<b><u>Amount</u></b>
2014	\$ 9,615,837
2015	7,722,277
2016	4,194,790
2017	3,314,743
2018	<u>1,844,840</u>
	26,692,487
Less: Amount representing interest	<u>1,836,351</u>
Present value of net minimum lease payments	24,856,136
Less: Current portion	<u>8,735,555</u>
	<u>\$ 16,120,581</u>

The interest expense under these leases was approximately \$876,000 and \$837,000 in 2013 and 2012, respectively.