

# Westchester County Health Care Corporation

## Long Term Debt Schedule

### As of December 31, 2015

Long-term debt activity as of December 31, 2015 was as follows (amounts in thousands):

	December 31,		December 31,		Amounts due
	2014	Additions	Reductions	2015	Within One Year
2000 Series Bonds (a)	\$ 108,170	\$ -	\$ -	\$ 108,170	\$ -
2010 Series Bonds (b)	247,125	-	(10,215)	236,910	10,720
2011 Series Bonds (c)	63,980	-	(100)	63,880	100
2014 Series Bonds (d)	27,352	-	(411)	26,941	432
2015 Series Bonds (e)	-	25,000	(191)	24,809	585
Bond Premium/Discount	966	-	(70)	896	-
Capital leases (f)	47,834	2,412	(35,764)	14,482	5,605
	<u>\$ 495,427</u>	<u>\$ 27,412</u>	<u>\$ (46,751)</u>	<u>\$ 476,088</u>	<u>\$ 17,442</u>

In 2000, WCHCC participated in a bond offering 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). At that time the Westchester County guarantee on the Series 2000A Bonds was eliminated.

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, 2015 (see Note 4).

Interest expense relating to the Series 2000 Revenue Bonds was approximately \$5.3 million in 2015.

In December 2010, WCHCC participated in a bond offering 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.

In December 2010, WCHCC also participated in a bond offering 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 0.40% and 0.08% at December 31, 2015 and 2014, 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, 2018.

The proceeds of the Series 2010 Bonds and Series 2010D Bonds, together with available funds, were 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 \$18.7 million as of December 31, 2015 (see Note 4).

Interest expense, net of capitalized interest, relating to the Series 2010 Bonds and Series 2010D Bonds was approximately \$12.5 million in 2015.

In December 2011, WCHCC participated in a bond offering 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 proceeds of the Series 2011 Bonds, together with available funds, were 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 \$3.4 million as of December 31, 2015 (see Note 4).

Interest expense, net of capitalized interest, relating to the Series 2011 Bonds was approximately \$3.1 million in 2015.

In May 2014, WCHCC participated in a bond offering relating to \$27,352,000 Westchester County Health Care Corporation Revenue Bonds, Series 2014A, Senior Lien with an interest rate of 5% and maturing November 1, 2044.

The proceeds of the Series 2014 Bonds, together with available funds, were used for the acquisition of substantially all the assets of Saint Francis Hospital Poughkeepsie, New York and certain related entities (St. Francis) through the exchange of the Series 2014A Bonds for certain obligations issued by the Dutchess County Industrial Development Agency for the benefit of St. Francis.

Interest expense relating to the Series 2014 Bonds was approximately \$1.4 million in 2015.

In July 2015, WCHCC participated in a private placement bond offering relating to \$25,000,000 Dutchess County Local Development Corporation Revenue Bonds, Series 2015, consisting of \$20,350,000 Series 2015A (Tax-Exempt) with an interest rate of 3.75% and maturing August 1, 2030, and \$4,650,000 Series 2015B (Taxable) with an interest rate of 5.95% and maturing August 1, 2030.

The proceeds of the Series 2015 Bonds were used to finance the acquisition of a building at the MidHudson Campus which was previously a capital lease of WCHCC.

Interest expense relating to the Series 2015 Bonds was approximately \$0.4 million in 2015.

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 6.49%. The interest expense under these leases was approximately \$1.3 million in 2015.

#### *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. For the year ended December 31, 2015, WCHCC met the required Long-Term Debt Service Coverage Ratio

#### *Future Principle and Interest Payments*

The following is a schedule by year of future principal and interest payments on the 2000, 2010, 2011, 2014 and 2015 Series Bonds. Future interest payment are calculated on the stated fixed rates for each issuance except for the variable Series 2010D bonds for which an assumed rate of interest of 2% was used (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 11,837	\$ 21,943	\$ 33,780
2017	12,417	21,356	33,773
2018	13,041	20,743	33,784
2019	13,172	20,110	33,282
2020	13,537	19,476	33,013
2021-2025	70,805	87,473	158,278
2026-2030	101,944	68,485	170,429
2031-2035	96,801	46,656	143,457
2036-2040	117,371	22,684	140,055
2041-2044	9,785	986	10,771
	<u>\$ 460,710</u>	<u>\$ 329,912</u>	<u>\$ 790,622</u>

The future minimum lease payments under the capital lease obligations, together with the present value of the minimum lease payments as of December 31, 2015, are as follows (amounts in thousands):

<b>Year</b>	<u><b>Amount</b></u>
2016	\$ 6,070
2017	4,911
2018	3,384
2019	834
2020	122
	<u>15,321</u>
Less: Amount representing interest	839
Present value of net minimum lease payments	<u>14,482</u>
Less: Current portion	5,605
	<u>\$ 8,877</u>