

# SOUTHEASTERN REGIONAL MEDICAL CENTER

## Financial Compliance Certificate

As required by Article V, Section 5.01(f)(3) of the Letter of Credit and Reimbursement Agreement dated September 1, 2005, I, C. Thomas Johnson, III, Vice President of Finance, CFO of Obligated Group, do hereby certify that the Obligated Group is in compliance with the financial covenants as of September 30, 2016 as defined in Article V, Section 5.01(u) herein as calculated as follows:

### Debt to Capital Ratio (Shall Not be Greater than .50 to 1.00)

Long-Term Debt	\$	57,546,579
Divided by: Long-Term Debt	\$	57,546,579
Plus - Net Assets	\$	270,498,248
	\$	<u>328,044,827</u>
Debt to Capital Ratio		<u>0.175</u>

### Long-Term Debt Service Coverage Ratio (Not Less Than 1.20 to 1.00)

Assets Available for Debt Service	\$	30,083,918
Divided by: Annual Debt Service	\$	5,312,578
Long-Term Debt Service Coverage Ratio		<u>5.66</u>

NOTE: See Auditor's calculation for detail of above amounts.

### Days Cash on Hand (Not Less Than 125 Days)

Assets Limited as to Use - Current	\$	8,892,120
Assets Limited as to Use - Non-Current	\$	117,520,988
Cash and Cash Equivalents	\$	11,826,284
Total Cash on Hand	\$	<u>138,239,392</u>
Total Expenses	\$	313,669,165
Less: Depreciation and Amortization	\$	(19,040,204)
Adjusted Total Expenses	\$	294,628,961
Divided by 366 Days	\$	366
Daily Operating Expenses	\$	<u>804,997</u>
Days Cash on Hand		<u>171.73</u>



C. Thomas Johnson, III  
VP Finance / CFO of Obligated Group