



## Case Study: Goshen Health

Bond Sale Date: July 11, 2019

\$44,330,000 Series 2019A Tax-Exempt Fixed Rate Bonds

\$25,360,000 Series 2019B Tax-Exempt Fixed Rate Put Bonds

### About Goshen Health:

Goshen Health System, Inc. ("Goshen"), an Indiana nonprofit corporation, is a healthcare provider serving residents in a multi-county area of north-central Indiana. Goshen Health, its subsidiaries, and affiliates operate a comprehensive health care network that includes a 160-licensed bed community hospital, 122 of which are currently in service, a cancer center, a heart and vascular center, a physician network, home care and hospice services, a home medical equipment company and other related services. Goshen Health operates 30 locations and employs 125 physicians and advanced practice providers and approximately 1,981 employees.

### Pricing Results:

Credit Ratings: A- (S&P)

Maturity/ Put Date	Par Amount (\$millions)	Coupon	Yield to Call	Spread to MMD	Yield to Maturity	Spread to MMD
<b>Series 2019A Tax-Exempt Bonds</b>						
\$31.755 in serial bonds maturing 2027-2039						
11/1/2043	\$12.575	4.00%	3.20%	+98bps	3.59%	+137bps
<b>Series 2019B Tax-Exempt Put Bonds</b>						
11/1/2026	\$25.360	2.10%	2.10%	+72bps	-	-

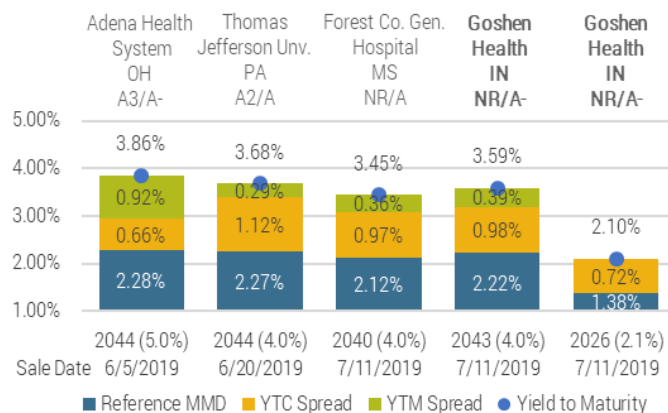
### Focus on Value:

Ponder & Co. worked closely with Goshen's management team during the past six months to plan and execute the sale of publicly-offered fixed rate bonds. This was Goshen's first time accessing the public markets after their separation from IU Health in 2016.

The proceeds from this financing will be used along with equity to build a new 4-story patient tower replacing the oldest section of the existing hospital, which will convert all rooms to private rooms. Other projects financed include a new Administration building, additional parking and expansion to the cancer center. Ponder was able to assist Goshen in structuring the financing so that Goshen's annual debt service payments will be wrapped around an existing note payable. Goshen opted to issue \$25 million of par bonds with a 7-year put feature in order to reduce interest expense in the near term, lowering overall debt service.

Ponder assisted Goshen with all aspects of the financing, including plan of finance development, establishing their initial Master Trust Indenture, their first rating presentation materials, selection of financing participants and working with the bond underwriters to achieve the most favorable bond pricing. The bonds were sold with attractive spreads to the MMD Index (compared to other recent hospital revenue bond issues). Twenty-six institutional investors participated in the bond sale. The strong investor demand allowed Goshen to reduce yields 2-10bps along the yield curve.

### Comparable Bond Sales:



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