

Westchester County Health Care Corporation

Long-Term Debt Schedule

As of December 31, 2019

Long-term debt activity as of December 31, 2019 was as follows (amounts in thousands):

	December 31,		December 31,		Amounts due
	2018	Additions	Reductions	2019	Within One Year
2000 Series Bonds (a)	\$ 108,170	\$ -	\$ -	\$ 108,170	\$ -
2010 Series Bonds (b)	153,805	-	(10,995)	142,810	10,310
2011 Series Bonds (c)	63,580	-	(1,010)	62,570	2,010
2014 Series Bonds (d)	25,578	-	(501)	25,077	526
2015 Series Bonds (e)	22,971	-	(666)	22,305	691
2016 Series Bonds (f)	282,955	-	(2,145)	280,810	2,255
Note Payable (g)	-	1,500	-	1,500	375
Bond Premium/Discount	23,387	-	(883)	22,504	883
Capital leases (h)	29,725	23,191	(8,363)	44,553	10,696
	<u>\$ 710,171</u>	<u>\$ 24,691</u>	<u>\$ (24,563)</u>	<u>\$ 710,299</u>	<u>\$ 27,746</u>

- a. At December 31, 2019, the balance of WCHCC Series 2000 Bonds have interest rates varying from 4.50% to 5.00% and mature annually on November 1, 2021 through 2030.

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, 2019.

Interest expense relating to the Series 2000 Revenue Bonds was approximately \$5.3 million in 2019.

- b. At December 31, 2019, the outstanding WCHCC Revenue Bonds, Series 2010, Senior Lien consists of \$37.4 million Series 2010A (Federally Taxable - Direct Payment - Build America Bonds) bonds with an interest rate of 8.57% and maturing on November 1, 2040; \$13.0 million Series 2010B (Tax-Exempt) bonds with interest rates varying from 4.0% to 6.13% and maturing through November 1, 2020, November 1, 2030 and November 1, 2037; \$31.5 million Series 2010C-1 (Federally Taxable - Direct Payment - Build America Bonds) bonds with an interest rate of 8.57% maturing on November 1, 2040; and \$3.6 million Series 2010C-2 (Tax Exempt) with an interest rate of 6.13% maturing on November 1, 2037.

WCHCC also has \$57.3 million of WCHCC Revenue Bonds, Series 2010D, Senior Lien (Taxable) bonds outstanding bearing interest under a Weekly Interest Rate, such rate being 1.62% at December 31, 2019, 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 VRDBs will request purchase under the LOC scheduled repayment terms. The LOC will expire on December 21, 2022.

WCHCC has granted a collateral interest in its gross receipts, as well as pledged all funds and accounts established with respect to the various Series 2010 Bonds, including a debt service reserve fund of approximately \$12.0 million as of December 31, 2019.

Interest expense relating to the various Series 2010 Bonds was approximately \$8.5 million in 2019.

- c. At December 31, 2019, the WCHCC Revenue Bonds, Series 2011, Senior Lien consists of \$47.3 million Series 2011A (Tax-Exempt) bonds with an interest rates varying from 2.0% to 5.32%, maturing annually through November 1, 2026, November 1, 2032 and November 1, 2041 and \$15.3 million Series 2011B (Tax-Exempt) bonds with an interest rate of 5.32%, maturing November 1, 2041.

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 \$2.3 million as of December 31, 2019.

Interest expense relating to the Series 2011 Bonds was approximately \$3.1 million in 2019.

- d. At December 31, 2019, the balance of WCHCC Revenue Bonds, Series 2014A, Senior Lien with an interest rate of 5.0% and maturing November 1, 2044 was outstanding.

Interest expense relating to the Series 2014 Bonds was approximately \$1.3 million in 2019.

- e. At December 31, 2019, the balance of a private placement bond offering relating to Dutchess County Local Development Corporation Revenue Bonds, Series 2015, consists of \$18.0 million Series 2015A (Tax-Exempt) with an interest rate of 3.75%, maturing August 1, 2030, and \$4.3 million Series 2015B (Taxable) with an interest rate of 5.95% maturing August 1, 2030.

Interest expense relating to the Series 2015 Bonds was approximately \$958,000 in 2019.

- f. At December 31, 2019, \$280.8 million of Westchester County Local Development Corporation Revenue Bonds, Series 2016 (Westchester Medical Center Obligated Group Project) (Series 2016 Bonds), Tax Exempt bonds with interest rates varying from 3.0% to 5.0% and maturing annually November 1, through 2034, November 1, 2037 and November 1, 2046 are outstanding.

The proceeds of the Series 2016 Bonds, together with other available funds, (i) were used to fund the construction of the Ambulatory Care Pavilion (“ACP”) at the Medical Center’s Valhalla campus; (ii) were used to finance certain capital projects at WCHCC; (iii) were used to advance refund a portion of WCHCC’s outstanding Series 2010B Bonds and Series 2010C-2 Bonds; (iv) were used to fund capitalized interest on the Series 2016 Bonds through 2018 and (v) were used to 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 2016 Bonds.

Interest expense, net of capitalized interest, relating to the Series 2016 Bonds was approximately \$8.9 million in 2019.

- g. On November 6, 2019, WCHCC purchased a building for \$2.0 million from the Board of Education of the Spackenkill Union Free School District (“the District”). At closing, \$1.5 million was financed through a non-interest bearing note payable provided by the District, due in four equal annual installments of \$375,000 through 2023.
- h. WCHCC has entered into certain capital lease agreements that are collateralized by the underlying equipment or real estate and bear interest at rates between 2.49% and 6.28%. The interest expense under these leases was approximately \$2.1 million in 2019.

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. During the year ended December 31, 2019, WCHCC met the required Long-Term Debt Service Coverage Ratio.

Future Principal and Interest Payments

The following is a schedule by year of future principal and interest payments on the bonds and other long-term debt (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 16,167	\$ 31,937	\$ 48,104
2021	15,553	31,143	46,696
2022	16,298	30,391	46,689
2023	17,058	29,623	46,681
2024	17,446	28,865	46,311
2025-2029	100,638	130,787	231,425
2030-2034	124,860	104,856	229,716
2035-2039	132,764	81,254	214,018
2040-2044	139,688	37,355	177,043
2045-2046	62,770	4,746	67,516
	<u>\$ 643,242</u>	<u>\$ 510,957</u>	<u>\$1,154,199</u>

The future minimum lease payments under the capital lease obligations, together with the present value of the minimum lease payments at December 31, 2019 are as follows (amounts in thousands):

Year	<u>Amount</u>
2020	\$ 12,826
2021	12,446
2022	11,184
2023	8,461
2024	4,512
2025-2029	<u>469</u>
	49,898
Less: Amount representing interest	<u>5,345</u>
Present value of net minimum lease payments	44,553
Less: Current portion	<u>10,696</u>
	<u>\$ 33,857</u>