

Westchester County Health Care Corporation

Long-Term Debt Schedule

As of December 31, 2020

Long-term debt activity as of December 31, 2020 was as follows (amounts in thousands):

	December 31,		December 31,		Amounts due
	2019	Additions	Reductions	2020	Within One Year
2000 Series Bonds (a)	\$ 108,170	\$ -	\$ (108,170)	\$ -	\$ -
2010 Series Bonds (b)	142,810	-	(71,205)	71,605	35
2011 Series Bonds (c)	62,570	-	(62,570)	-	-
2014 Series Bonds (d)	25,077	-	(526)	24,551	551
2015 Series Bonds (e)	22,305	-	(691)	21,614	723
2016 Series Bonds (f)	280,810	-	(2,255)	278,555	2,565
2020 Series Bonds (g)	-	300,000	-	300,000	-
Note Payable (h)	1,500	-	(375)	1,125	375
Bond Premium/Discount	22,504	-	(975)	21,529	836
Financed Purchases (i)	44,553	16,648	(11,717)	49,484	13,917
	<u>\$ 710,299</u>	<u>\$ 316,648</u>	<u>\$ (258,484)</u>	<u>\$ 768,463</u>	<u>\$ 19,002</u>

- a. The WCHCC Series 2000 Bonds were refunded as part of the issuance of the Series 2020 Bonds in September 2020.

Interest expense relating to the Series 2000 Revenue Bonds was approximately \$1.7 million in 2020.

- b. At December 31, 2020, 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; \$2.8 million Series 2010B (Tax-Exempt) bonds with interest rates varying from 4.00% to 6.13% and maturing through 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. The Series 2010C-2 (Tax Exempt) bonds were refunded as part of the issuance of the Series 2020 Bonds in September 2020.

The WCHCC Revenue Bonds, Series 2010D, Senior Lien (Taxable) Bonds were refunded as part of the issuance of the Series 2020 Bonds in September 2020.

Interest expense relating to the various Series 2010 Bonds was approximately \$6.8 million in 2020.

- c. The WCHCC Revenue Bonds, Series 2011, Senior Lien were refunded as part of the issuance of the Series 2020 Bonds in September 2020.

Interest expense relating to the Series 2011 Bonds was approximately \$1.0 million in 2020.

- d. At December 31, 2020, 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 \$1.2 million in 2020.

- e. At December 31, 2020, the balance of a private placement bond offering relating to Dutchess County Local Development Corporation Revenue Bonds, Series 2015, consists of \$17.5 million Series 2015A (Tax-Exempt) with an interest rate of 3.75%, maturing August 1, 2030, and \$4.1 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 \$933,000 in 2020.

- f. At December 31, 2020, \$278.5 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.

Interest expense, net of capitalized interest, relating to the Series 2016 Bonds was approximately \$13.4 million in 2020.

- g. In September 2020, WCHCC participated in a new bond offering relating to \$300.0 million of Westchester County Local Development Corporation Revenue Bonds, Series 2020 (Taxable) (Westchester Medical Center Obligated Group Project) (“Series 2020 Bonds”) with an interest rate of 3.85% and maturing November 1, 2050. At December 31, 2020, \$300.0 million was outstanding.

The proceeds of the Series 2020 Bonds, together with all available funds, were used: (i) to refund Series 2000A Bonds outstanding in the amount of \$108.2 million, Series 2010C-2 Bonds outstanding in the amount of \$3.6 million, Series 2010D Bonds outstanding in the amount of \$57.3 million, Series 2011A Bonds outstanding in the amount of \$47.3 million and Series 2011B Bonds outstanding in the amount of \$15.3 million; (ii) to fund capitalized interest in connection with the Series 2020 Bonds; (iii) to pay costs related to the issuance of the Series 2020 Bonds and; (iv) for general corporate purposes.

Interest expense relating to the Series 2020 Bonds was approximately \$3.8 million in 2020.

- h. 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.
- i. WCHCC has entered into certain financed purchase agreements that are collateralized by the underlying assets and bear interest at rates between 2.49% and 6.28%. The interest expense under these financed purchase agreements was approximately \$2.5 million in 2020.

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 Bond series. During the year ended December 31, 2020, 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>
2021	\$ 4,249	\$ 33,028	\$ 37,277
2022	4,427	32,839	37,266
2023	4,618	32,642	37,260
2024	4,450	32,438	36,888
2025	4,665	32,218	36,883
2026-2030	42,919	156,966	199,885
2031-2035	41,146	147,426	188,572
2036-2040	123,111	127,784	250,895
2041-2045	135,715	87,111	222,826
2046-2050	332,150	59,298	391,448
	<u>\$ 697,450</u>	<u>\$ 741,750</u>	<u>\$1,439,200</u>

The future minimum payments under the financed purchases agreements, together with the present value of the minimum financed purchases payments at December 31, 2020 are as follows (amounts in thousands):

Year	<u>Amount</u>
2021	\$ 16,232
2022	14,970
2023	12,247
2024	8,298
2025	2,992
	<u>54,739</u>
Less: Amount representing interest	5,255
Present value of net minimum financed purchases payments	<u>49,484</u>
Less: Current portion	13,917
	<u>\$ 35,567</u>