

Westchester County Health Care Corporation

Property, Plant and Equipment

As of December 31, 2023

Capital Assets

In connection with the establishment of the public benefit corporation in 1997, WCHCC recorded buildings, fixed equipment, and land received from the County at book value. Capital assets acquired subsequent to the establishment of the public benefit corporation are recorded at cost. Assets with a purchase price of \$1,000 or more that have an economic life greater than one year are capitalized and assets with a purchase price of less than \$1,000 are expensed.

Gifts of long-lived assets such as land, buildings, and equipment are recorded at fair value at the date of the contribution and are excluded from operating income.

Depreciation is recorded using the straight-line method over the estimated useful life of each class of depreciable assets.

	<u>Useful Lives</u>
Land improvements	10 years
Buildings and building improvements	5 to 60 years
Equipment	10 to 20 years

Equipment obtained through financed purchases are amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the leased equipment. Such amortization is included in depreciation and amortization expense in the financial statements.

Capital asset activity for the year ended December 31, 2023 was as follows (amounts in thousands):

	<u>Beginning balance</u>	<u>Additions and transfers</u>	<u>Retirements and transfers</u>	<u>Ending balance</u>
Land	\$ 1,587	\$ -	\$ -	\$ 1,587
Construction in process	7,455	16,371	-	23,826
Building and improvements	845,087	18,431	-	863,518
Equipment	1,058,657	35,435	(108,502)	985,590
Land Improvements	19,739	819	-	20,558
Total capital assets	<u>1,932,525</u>	<u>71,056</u>	<u>(108,502)</u>	<u>1,895,079</u>
Less accumulated depreciation for:				
Building and improvements	(437,153)	(25,038)	-	(462,191)
Equipment	(687,761)	(48,758)	17,702	(718,817)
Land improvements	(10,918)	(904)	-	(11,822)
Total accumulated depreciation	<u>(1,135,832)</u>	<u>(74,700)</u>	<u>17,702</u>	<u>(1,192,830)</u>
Carrying value of all capital assets, net	<u>\$ 796,693</u>	<u>\$ (3,644)</u>	<u>\$ (90,800)</u>	<u>\$ 702,249</u>

Construction in progress relates to various capital projects. At December 31, 2023, WCHCC was committed to noncancelable construction contracts related to capital projects of approximately \$216.9 million.

The net book value of capital assets held under financed purchase obligations, included in equipment, was approximately \$76.4 million at December 31, 2023.