

**THIS DOCUMENT IS DATED AS OF JULY 17, 2015**

**SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS.** Certain of the discussions included in the following document may include certain “forward-looking statements” which involve known and unknown risks and uncertainties inherent in the operation of healthcare facilities. Actual actions or results may differ materially from those discussed below. Specific factors that might cause such differences include competition from other healthcare facilities in the service area of NYU Hospitals Center facilities, federal and state regulation of healthcare providers, and reimbursement policies of the state and federal governments and managed care organizations. In particular, statements preceded by, followed by or that include the words “believes,” “estimates,” “expects,” “anticipates,” “plans,” “intends,” “scheduled” or other similar expressions are or may constitute forward-looking statements.

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**QUARTERLY REPORT  
(UNAUDITED FINANCIAL INFORMATION)  
FOR THE NINE MONTHS  
ENDING MAY 31, 2015**

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**Concerning**

**NYU Hospitals Center**

**The information in this report  
has been provided by**

**NYU Hospitals Center**

**NYU HOSPITALS CENTER  
ANNUAL REPORT  
FOR THE NINE MONTHS ENDING MAY 31, 2015**

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**NYU HOSPITALS CENTER**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**OF**  
**RECENT FINANCIAL PERFORMANCE**  
**FOR THE NINE MONTHS ENDING MAY 31, 2015**

**Summary of Operations**

For the nine months ending May 31, 2015, NYUHC recorded a gain from operations of \$156.4 million, equating to 8.2% operating margin based on total operating revenues of \$1.9 billion and total operating expenses of \$1.8 billion.

Net patient revenue totaled \$1.8 billion for the nine months ending May 31, 2015 – of which 48% was from inpatient operations and 52% was from outpatient operations. This represents an increase in patient revenue of \$328.4 million, or 22.2%, over the nine months ending May 31, 2014. Management attributes this increase primarily to the full effect of the post-storm recovery of services with the reopening of the emergency department in April 2014. In addition to the recovery from Superstorm Sandy, management attributes the increase in net patient revenue to continued growth in ambulatory services including ambulatory surgery, cardiac catheterization, cardiac electrophysiology, cancer center, musculoskeletal and clinic visits, inpatient and outpatient rate increases, and continued improvements in revenue realization through revenue cycle initiatives.

Net inpatient revenue increased \$132.7 million, or 18.0%, for the nine month period ending May 31, 2015 compared to the prior year. Inpatient discharges, excluding routine newborn, increased 2,164 cases, or 9.2%, over the same period, primarily due to the recovery of patient care operations since the reopening of the emergency department. NYUHC's case mix index as of May 31, 2015 was 1.91, lower than the May 31, 2014 case-mix index of 1.95. Management attributes this case-mix index change primarily to the post-recovery period increase in routine newborn deliveries of 337 discharges, or 9.3%, which have a significantly lower than average case-mix index.

Net outpatient revenue increased \$195.7 million, or 26.2%, for the nine month period ending May 31, 2015 compared to the prior year. Outpatient visits in total have increased 4.2% over the same period. The growth in net outpatient revenue and visits from May 2014 to May 2015 is primarily attributable to improvements following the business interruption experienced as a result of Superstorm Sandy and the growth in ambulatory expansions including the Cobble Hill Emergency Department. Emergency and Urgent Care Center visits, excluding admissions, totaled 44,909 visits for the nine months period ending May 31, 2015, an increase of 16,176 visits, or 56.3% over the same period last year. Ambulatory services at the Perlmutter Clinical Cancer Center increased 21,734 visits, or 13.0%, from the prior year ending May 31, 2014. Other Ambulatory and outpatient visits decreased by 10,177 visits, or 2.2%, from the prior year primarily as a result of converting certain services to faculty group practice physician office visits.

NYUHC recorded net investment returns of \$9.9 million for the nine months ending May 31, 2015 compared to a net return of \$17.7 million for the nine months ending May 31, 2014. The reduction is attributable to the market results of the long term investments. Investment returns - reported as

Endowment distribution and return on short-term investments and Investment return in excess of endowment distribution, net – on the accompanying Statement of Operations - are comprised of realized and unrealized gains.

Operating expenses for the nine months ending May 31, 2015 totaled \$1.8 billion. Expenses were comprised as follows: 46% in salaries and benefits; 46% in supplies and other and Superstorm Sandy disaster related costs; 5% in depreciation and amortization; and 3% in interest. Operating expenses increased \$218.6 million, or 14.2%, for the nine months ending May 31, 2015 compared to the same nine month period last year. Management attributes these increases primarily to the increase in ambulatory volume, increased employee salary and benefit costs, medical supplies, purchased services and support to the NYU School of Medicine (“NYUSoM”).

The following other changes in unrestricted net assets, after the gain from operations of \$156.4 million, were recorded for the nine months ending May 31, 2015, resulting in a \$167.7 million net increase in unrestricted net assets:

- \$(50.0) million mission support payment to the NYUSoM;
- \$(27.1) million loss on extinguishment of debt;
- \$(0.8) million investment return primarily attributable to market results in the underlying asset portfolio;
- \$37.8 million disaster recovery reimbursement for capital;
- \$(8.4) million related to the pension and postretirement valuation due to a favorable change in the discount rate used to measure the pension and postretirement obligation offsetting the negative affect of the required adoption of a new mortality table.
- \$3.1 million net assets released from restrictions for capital purposes and grants and contributions for capital asset; and
- 56.7 million net assets released from restrictions for hazard mitigation.

#### **Statement of Financial Position Highlights – May 31, 2015**

As of May 31, 2015, cash and cash equivalents totaled \$171.0 million and assets limited as to use (both Board designated and an internally designated capital program and reserve fund) totaled \$689.2 million. The capital and program reserve fund is reported within current and long-term assets in the financial statements. As calculated under the Master Trust Indenture (the “MTI”), that secures all of NYUHC’s Bonds, days cash on hand equated to 151 days for the period ended May 31, 2015. Included in these balances is approximately \$132.9 million of temporarily restricted cash donations received and designated for the Kimmel Pavilion, which is expected to be expended in the next three to five years for project costs.

Patient accounts receivable totaled \$330.8 million, and accounts payable and accrued expenses (including disaster related costs) were \$167.0 million at May 31, 2015.

As of May 31, 2015, NYUHC transferred \$50.0 million to NYUSoM to support certain joint strategic programs that are expected to promote the common missions of the two institutions. In addition, for the nine months ending May 31, 2015, NYUHC incurred approximately \$243.2 million of costs in support of certain services shared by NYUHC and NYUSoM.

NYUHC has four unsecured lines of credit totaling \$500.0 million (Commitment 1, 2, 3 and 4). Commitment no. 1 has a total capacity to \$200.0 million; Commitment nos. 2, 3 and 4, each has a total capacity of \$100.0 million. Interest is payable on each of these lines of credit at LIBOR plus a spread of 70-100 points. NYUHC has no outstanding balances on these lines as of May 31, 2015.

## **Current Activities**

### **Financing Transactions**

In November 2014, NYUHC completed its issuance of \$300.0 million in taxable bonds (“Series 2014A Bonds”) with an interest rate of 4.784% and matures in 2044. The proceeds from this issuance was used to pay the costs of various constructions, renovation and equipping projects, repay certain outstanding lines of credit and to pay working capital and other eligible corporate purposes

In December 2014, NYUHC issued through the Dormitory Authority of the State of New York (“DASNY”) the Series 2014B revenue bonds totaling \$77.7 million. The Series 2014 bonds is payable at varying dates from August 2015 to final maturity in July 2036 at a fixed rates varying from 2.0% to 5.0%. The proceeds of the Series 2014 was used to advance refund the DASNY Series 2007B Bonds and pay certain Cost of Issuance of the Series 2014 Bonds. NYUHC released \$6.8 million of debt service reserve and construction funds related to the Series 2007B bond from DOH. All-in financing cost was 3.70% that resulted in net present value savings of \$8.3 million (9.9% of refunded bonds).

In January 2015, NYUHC issued through the Dormitory Authority of the State of New York (“DASNY”) the Series 2014(dated January 2015) revenue bonds totaling \$117.3 million. The Series 2014 bonds is payable at varying dates from July 2015 to final maturity in July 2035 at a fixed rates varying from 2.00% to 5.00%. The proceeds of the Series 2014 was used to advance refund the DASNY Series 2007A Bonds and pay certain Cost of Issuance of the Series 2014 Bonds. NYUHC released \$19.5 million of debt service reserve and construction funds related to the Series 2007A bond from DOH. All-in financing cost was 3.17% that resulted in net present value savings of \$13.4 million (9.4% of refunded bonds).

### **Other Current Matters**

NYU Hospitals Center (“NYUHC”) is continuously subject to surveys by various state and federal agencies. The New York State Department of Health (“NYS DOH”) on behalf of itself and as agent for the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services (“CMS”) is the federal agency that certifies eligibility for participation in the Medicare program.

In follow-up to an onsite CMS survey in December 2014, the NYSDOH acting as agent for CMS, conducted a follow-up survey at NYUHC to ascertain that the hospital had complied with its Plan of

Correction submitted on February 6, 2015. The visit was conducted April 10-25, 2015. On May 6, 2015, CMS advised NYUHC in writing that the submitted plan of correction was implemented and no further plan of correction is needed.

The NYSDOH, acting as agent for CMS, notified the Hospital on June 17, 2015 that based on findings during a Title 18 Allegation Survey conducted June 1 – 4, 2015, deficiencies were observed. A plan of correction was submitted to the NYSDOH on June 30, 2015 in response to the Statement of Deficiencies issued. It is not possible to predict if the hospital's response will be accepted on its own merit or if a follow-up survey will occur.

### **Value Based Management**

The Value Based Management (VBM) initiative is a multidisciplinary, senior leadership and clinician driven program designed to reduce costs while maintaining or improving the quality of patient care and improving patient outcomes. Although VBM will eventually cover costs throughout the Hospital, the initial focus has predominately been on inpatient direct costs. As a result of this program, for the nine month period ending May 31, 2015, inpatient CMI adjusted direct costs improved by 7% per case and average length of stay is better by 0.16 days in comparison to the same period in the prior year.

### **Additional Brooklyn Ambulatory Sites**

NYUHC has recently expanded into Brooklyn with the opening of the 11,000 square foot Brooklyn Endoscopy and Ambulatory Surgery Center in the Midwood section of Brooklyn and Levit Medical, a diagnostic and treatment facility with three locations in the Canarsie, Midwood and Bensonhurst sections of Brooklyn totaling 23,000 square feet and, commencing October 31, 2014, the free-standing Emergency Department in Cobble Hill. Pursuant to written agreements among the State University of New York ("SUNY") and Fortis Property Group ("Fortis"), whereby Fortis will develop the property on which the former Long Island College Hospital ("LICH") operated in Cobble Hill, Brooklyn for residential purposes, NYUHC is initially providing emergency department services at the site of the former LICH emergency department pursuant to a sublease from Fortis and, following demolition and remediation of adjacent premises, SUNY will deed the cleared site to NYUHC at no cost. NYUHC plans to construct on the site a four-story, approximately 125,000 square foot medical services building housing a freestanding emergency department, ambulatory surgery center, imaging site, clinical laboratory, cancer center, endoscopy suite and physicians' offices, with approximately 100 medical personnel. NYUHC expects to commit up to \$170 million for construction of the new medical services building.

### **Lutheran Medical Center Affiliation**

On April 1, 2015 the affiliation between NYUHC and Lutheran Medical Center, an acute care hospital licensed to operate 450 beds in Brooklyn, New York, was effectuated when NYU Langone Health System (the "System"), a New York not-for-profit corporation controlled by the University, became the sole member of NYUHC and the newly renamed NYU Lutheran Medical Center ("NYU Lutheran"). In addition to its control of NYU Lutheran, the System indirectly controls the healthcare entities directly or indirectly controlled by NYU Lutheran (the "Lutheran System"). NYUHC and the System have committed funding \$190.0 million to NYU Lutheran over a 5 year period. The funding is comprised of a

\$50 million grant to be used for investment in capital projects for clinical programs; a \$100 million loan to implement new electronic patient health record, billing, financial and other administrative information systems; and, a \$40 million loan for investment in other capital projects and equipment. Based on the audited financial statements of the NYU Lutheran System, for the calendar year ended December 31, 2014, NYU Lutheran System had total revenues of \$687.3 million and total assets of \$627.4 million. On July 2, 2015, a Certificate of Need (“CON”) application was filed with NYS DOH to obtain approval for a full asset merger of NYUHC and NYU Lutheran, with NYUHC as the successor entity. Completion of merger is subject to adoption of merger agreement between NYUHC and NYU Lutheran, approval by the University and applicable regulatory approvals.

### **Other Discussions**

NYUHC is also considering affiliating with other acute care hospitals located outside of Manhattan in areas where the Hospital believes that there may be a sufficient number of NYUHC-affiliated physicians to support such an affiliation. No letters of intent or other binding documents have been executed in connection with such potential affiliations, and there can be no assurance any affiliations will be completed.

### **Update on Campus Transformation Plan**

NYUHC and New York University School of Medicine (“NYUSM”) undertake certain activities together under the name NYU Langone Medical Center (the “Medical Center”). In 2007, the Medical Center Board of Trustees approved a campus transformation plan for the First Avenue Campus. In accordance with the plan, NYUHC has completed demolition of the Rusk and Perelman buildings and associated connecting areas in preparation for construction of a new clinical facility (the “Kimmel Pavilion”) and the Energy Building, as described below; completed a major elevator modernization and lobby renovation of Tisch Hospital (funded entirely through philanthropy); and completed the renovation and expansion of the ED from 6,900 to 16,900 square feet. The plan also calls for construction by NYUSM of a 300,000 square foot Science Building to house NYUSM’s research facilities (which will be funded by New York University). NYUHC has received substantially all regulatory approvals and building permits for the Kimmel Pavilion and the Energy Building.

- Kimmel Pavilion: The 830,200 square foot, 22-story pavilion will have 374 single-bedded rooms, 32 operating rooms and procedure rooms and outpatient services. Construction began in November 2013 and is anticipated to extend over four years.
- Energy Building: The approximately 75,000 square foot facility will house a cogeneration and electric service plant serving the entire First Avenue Campus. The Energy Building will also house NYUHC’s Department of Radiation Oncology. Construction started in summer 2012, with an expected completion date in mid-2016.

NYUHC plans to construction and related capital requirements of the Kimmel Pavilion and the Energy Building first through debt (including from proceeds of the Series 2014A Bonds), second (but with respect to the Kimmel Pavilion only) through philanthropic gifts received pursuant to the Medical Center’s capital campaign, third, from cash flows from NYUHC’s operations and finally, and subject to availability, from proceeds of payments received from the Federal Emergency Management Agency (FEMA) relating to Superstorm Sandy. NYUHC has also established an internally designated fund which may be used by NYUHC to fund the Kimmel Pavilion and the Energy Building to the extent debt,

philanthropy and cash flows sources are insufficient. As of May 31, 2015, this internal fund consisted of \$646.9 million of unrestricted assets.

**NYU HOSPITALS CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING MAY 31, 2015**

**NOTE 1: FINANCIAL INFORMATION**

The financial information furnished herein is unaudited and thus is subject to change; however, in the opinion of management, the information reflects all adjustments that are necessary to fairly state the financial position of NYUHC, and the results of its operations and changes in its unrestricted net assets for the interim periods indicated.

NYUHC presumes that users of this interim financial information have read or have access to NYUHC audited financial statements and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The Financial Statements of NYUHC for the fiscal year ended August 31, 2014 are on file at [emma.msrb.org](http://emma.msrb.org) and the information contained therein is hereby incorporated in this Annual Report.

Patient volumes and net operating revenues are subject to seasonal variations caused by a number of factors, including, but not necessarily limited to, seasonal cycles of illness, climate and weather conditions, vacation patterns of both hospital patients and admitting physicians and other factors relating to the timing of elective hospital procedures. Interim operating results are not necessarily representative of operations for a full year for various reasons, including levels of occupancy and other patient volumes, interest rates, unusual or non-recurring items and other seasonal fluctuations. These same considerations apply to all year-to-year comparisons.

**NOTE 2: BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States applied on a basis substantially consistent with that of the August 31, 2013 audited financial statements of NYUHC. They do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

**NOTE 3: USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectible for accounts receivable for services to patients and the valuation of alternative investments, and liabilities including estimated settlements with third party payors and malpractice insurance liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

**NOTE 4: RETIREMENT PLANS**

NYUHC provides pension and similar benefits to its employees through several plans, including various multiemployer plans for union employees, a qualified noncontributory defined benefit plan primarily for eligible nonunion employees of NYUHC and certain of its related organizations, and a nonqualified defined benefit plan for certain executives. NYUHC also provides pension and similar benefits to certain employees through a defined contribution plan. NYUHC funds the noncontributory defined benefit plans in accordance with the minimum funding requirement of the Employee Retirement Income Security Act of 1974 (“ERISA”), plus additional amounts that NYUHC may deem appropriate from time to time. The Pension Protection Act of 2006 required certain changes to the minimum funding requirements, among other provisions, commencing in 2008. Amounts contributed to the defined benefit plans are based on actuarial valuations. Contributions to union plans are based on union employee gross salary levels and rates required under union contractual arrangements. Contributions to NYUHC’s defined contribution plan are generally based on percentages of annual salaries.

Pension expense included in the statements of operations and changes in net assets for the nine months ending May 31, 2015 and 2014 totaled \$52.6 million and \$48.8 million, respectively.

**NYU Hospitals Center**  
**Statement of Financial Position**  
**(Amounts In Thousands)**

	<b>(Unaudited)</b> <b>May 2015</b>	<b>(Audited)</b> <b>August 2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 171,039	\$ 323,459
Marketable securities	3,554	3,731
Assets whose use is limited	32,216	40,796
Assets whose use is limited - board designated	100,178	55,512
Patient accounts receivable, less allowances for uncollectibles	330,839	303,479
Contributions receivable - current	45,967	67,904
Inventories	32,734	32,193
Disaster recoveries receivable	-	23,402
Other current assets	50,934	58,772
Total current assets	767,461	909,248
Marketable securities	23,990	24,087
Assets whose use is limited	43,499	104,441
Assets whose use is limited - board designated	588,990	456,501
Contribution receivable - long term	126,319	106,171
Other assets	89,969	82,380
Disaster recoveries receivable	106,336	106,336
Deferred financing costs	8,732	10,519
Property, plant and equipment, net	2,201,460	1,958,347
Total assets	\$ 3,956,756	\$ 3,758,030
<b>Liabilities and net assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 40,184	36,363
Accounts payable and accrued expenses	149,137	176,220
Accounts payable and accrued expenses - disaster related	17,890	42,166
Accrued salaries and related benefits	67,804	46,840
Accrued interest payable	28,961	9,754
Current portion of accrued postretirement liabilities	1,932	1,916
Disaster recoveries - deferred revenues	23,621	64,886
Deferred Revenues - others	1,200	1,861
Due to related organization	3,344	2,269
Other current liabilities	53,738	44,841
Total current liabilities	387,811	427,116
Long-term debt, less current portion	1,507,857	1,401,199
Accrued pension liabilities	116,660	96,594
Accrued postretirement liabilities	77,635	72,646
Other liabilities	174,907	199,640
Total liabilities	2,264,870	2,197,195
Net assets:		
Unrestricted	1,199,061	1,031,365
Temporarily restricted	479,780	516,425
Permanently restricted	13,045	13,045
Total net assets	1,691,886	1,560,835
Total liabilities and net assets	\$ 3,956,756	\$ 3,758,030

**NYU Hospitals Center**  
**Statement Of Operations**  
**For the Nine Months Months Ending May 31, 2015**  
**(Amounts In Thousands)**

	<u>(Unaudited)</u> <u>May 2015</u>	<u>(Unaudited)</u> <u>May 2014</u>
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,810,236	\$ 1,481,872
Grants and sponsored programs	422	389
Affiliations	11,805	12,204
Contributions	4,331	4,689
Endowment distribution and return on short-term investments	10,698	9,174
Commerical insurance recoveries	-	8,662
Disaster recovery reimbursement	2,415	29,497
Other revenue	71,538	97,534
Net assets released from restrictions for operating purposes	5,420	22,168
Total operating revenue	<u>1,916,865</u>	<u>1,666,189</u>
<b>Operating expenses</b>		
Salaries and wages	593,812	550,854
Employee benefits	213,642	191,103
Supplies and other	815,630	678,969
Depreciation and amortization	81,643	70,042
Interest	46,112	37,245
Disaster-related expenses	9,645	13,645
Total operating expenses	<u>1,760,484</u>	<u>1,541,858</u>
Gain from operations	156,381	124,331
<b>Other items</b>		
(Loss) gain on impairment or disposals of property, plant and equipment	(2)	4,335
Loss on extinguishment of Debt	(27,074)	-
Disaster recovery reimbursement for capital	37,776	-
Grants for capital asset acquisitions	47	39
Investment return less endowment distribution, net	(792)	8,529
Mission based payment to NYUSoM	(50,000)	(30,000)
<b>Excess of revenue over expenses</b>	116,336	107,234
Changes in pension & postretirement obligations	(8,409)	(11,445)
Net assets released from restrictions for capital purposes	3,027	12,896
Net assets released from restrictions for hazard mitigation	56,742	-
<b>Net change in unrestricted net assets</b>	<u>\$ 167,696</u>	<u>\$ 108,685</u>

NYU Hospitals Center  
Statement of Changes in Net Assets  
(Amounts In Thousands)

	(Unaudited)				(Audited)			
	Quarter May 31, 2015				Year Ended August 31, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at beginning of year	\$ 1,031,365	\$ 516,425	\$ 13,045	\$ 1,560,835	\$ 758,080	\$ 282,204	\$ 13,038	\$ 1,053,322
Excess of revenue over expenses	116,336	-	-	116,336	269,099	-	-	269,099
Net assets released from restrictions for operations	-	(5,420)	-	(5,420)	-	(23,044)	-	(23,044)
Net assets released from restrictions for capital purposes	3,027	(3,027)	-	-	15,040	(15,040)	-	-
Net assets released from restrictions for hazard mitigation	56,742	(56,742)	-	-	12,000	(12,000)	-	-
Change in pension and postretirement plans	(8,409)	-	-	(8,409)	(22,854)	-	-	(22,854)
Gifts, bequests and other items	-	28,891	-	28,891	-	69,149	7	69,156
Investment return, net	-	434	-	434	-	2,941	-	2,941
Appropriation of endowment distribution	-	(781)	-	(781)	-	(1,038)	-	(1,038)
Disaster related award for future mitigation	-	-	-	-	-	213,253	-	213,253
Total changes in net assets before change in accounting principle	167,696	(36,645)	-	131,051	273,285	234,221	7	507,513
<b>Net assets at end of year</b>	<b>\$ 1,199,061</b>	<b>\$ 479,780</b>	<b>\$ 13,045</b>	<b>\$ 1,691,886</b>	<b>\$ 1,031,365</b>	<b>\$ 516,425</b>	<b>\$ 13,045</b>	<b>\$ 1,560,835</b>

**NYU Hospitals Centers  
Statement of Cash Flows  
(Amounts In Thousands)**

	<b>(Unaudited) May 2015</b>	<b>(Audited) August 2014</b>
<b>Cash flows from operating activities</b>		
Change in net assets:	\$ 131,051	\$ 507,513
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	81,643	98,565
Impairment of property plant and equipment		(559)
Loss on disposal of property plant and equipment	2	(231)
Loss on extinguishment	10,122	-
Patient care bad debt expense	8,858	11,611
Write-offs of contributions receivable		1,252
Post-retirement benefit adjustment	1,803	12,843
Pension retirement benefit adjustment	6,606	10,011
Payments for disaster recovery risk mitigation	-	(106,917)
Contributions restricted for permanent investment and capital contributed assets	(11,033)	(46,026)
Net unrealized and realized gain on investments	886	(9,613)
Changes in operating assets and liabilities:		
Patient accounts receivable	(36,218)	(56,690)
Contribution receivable	1,789	(675)
Disaster recovery receivable	23,402	(119,297)
Commerical insurance recoveries received		(1,363)
Accounts payable & accrued expenses	(11,598)	538
Accounts payable & accrued expenses - disaster related	(24,635)	19,574
Salaries and related liabilities	20,964	11,145
Accrued interest payable	19,207	1,829
Due to related organization	1,075	6,424
Accrued pension obligation	13,460	674
Accrued postretirement obligation	3,202	2,700
Other operating liabilities and deferred revenue	(258,471)	(54,716)
Other operating assets	(297)	(34,326)
Net cash (used in) provided by operating activities	<u>(18,182)</u>	<u>254,266</u>
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment	(164,766)	(545,293)
Changes in investments, net	(294)	(42)
Additions to assets limited as to use board designated	(177,155)	(15,490)
Changes in assets limited as to use, net	93,143	19,122
Insurance proceeds and disaster recovery reimbursement for capital	38,355	76,361
Net cash used in investing activities	<u>(210,717)</u>	<u>(465,342)</u>
<b>Cash flows from financing activities</b>		
Contributions restricted for permanent investment and capital	11,033	46,026
Payments for disaster recovery risk mitigation	-	106,917
Proceeds from issuance of long term debt	521,800	150,000
Proceeds from borrowing on line of credits	-	150,000
Payments of deferred financing cost	(3,512)	-
Payments on line of credit	(200,000)	-
Principal Payments on long-term debt	(252,842)	(81,269)
Net cash provided by financing activities	<u>76,479</u>	<u>371,674</u>
Net (decrease) increase in cash and cash equivalents	(152,420)	160,598
<b>Cash and cash equivalents</b>		
Beginning of year	323,459	162,861
End of year	<u>\$ 171,039</u>	<u>\$ 323,459</u>
<b>Supplemental information</b>		
Cash paid for interest	\$ 53,135	\$ 57,198
Non-cash acquisitions of property, plant and equipment	123,289	15,869
Assets aquired under capital leases	36,643	19,852
Assets limited as to use-other restrictions	23,621	64,886

**NYU Hospitals Center**  
**Utilization Statistics**  
**For the Nine Months Months Ending May 31, 2015**

	<u>May 2015</u>	<u>May 2014</u>
<b>Total Inpatient Discharges</b>	29,680	27,179
<b>Less Routine Newborn</b>	3,958	3,621
<b>Discharges (Excluding Routine Newborn)</b>	<u>25,722</u>	<u>23,558</u>
<b>Total Patient Days</b>	140,152	132,137
<b>Less Routine Newborn</b>	9,021	8,280
<b>Patient Days (Excluding Routine Newborn)</b>	<u>131,131</u>	<u>123,857</u>
<b>Average Length of Stay</b>	5.1	5.3
<b>Total Case Mix Index</b>	1.91	1.95
<b>Percent of Occupancy</b>	76%	73%
<b>ER Visits (excluding admits)</b>	44,909	5,444
<b>Urgent Care</b>	-	23,289
<b>Cancer Center Visits</b>	188,422	166,688
<b>Other Ambulatory &amp; Outpatient Visits</b>	453,451	463,628
	<u><b>686,782</b></u>	<u><b>659,049</b></u>

**NYU Hospitals Center**  
**Payor Mix by Discharges (Excluding Routine Newborn)**  
**For the Nine Months Months Ending May 31, 2015**

	<u>May 2015</u>		<u>May 2014</u>	
Medicare	9,470	37%	8,419	35%
Medicaid	3,495	14%	2,731	12%
Blue Cross	3,958	15%	3,656	16%
Managed Care	7,801	30%	7,793	33%
Commercial & Other	771	3%	776	3%
Self-Pay	227	1%	183	1%
Total	<u>25,722</u>	<u>100%</u>	<u>23,558</u>	<u>100%</u>