



Management's Discussion and Analysis

Annual Report

FISCAL YEAR

2024

Unaudited Financial Information

For the twelve months ended **August 31, 2024** and **August 31, 2023**

(The Obligated Groups of NYU Langone Hospitals and Long Island Community Hospital at NYU Langone Health)



Forward-Looking Statements

Certain of the discussions included in Management's Discussion and Analysis of Recent Financial Performance 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 Langone Health's 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. To the extent forward-looking statements are included in this quarterly report, NYU Langone Health undertakes no obligation to update such statements.

Financial Planning and Budgetary Process

NYU Langone Health's capital and operating budgets are developed annually beginning several months before the start of each fiscal year. Based on initial estimates by department managers and the targets developed within the Long Range Financial Plan ("LRFP"), NYU Langone Health's Finance Department creates budgets that are reviewed by senior management. The LRFP and the capital and operating budgets are then reviewed by NYU Langone Health's Finance Committee and presented to the NYU Langone Hospitals and NYU Langone Health System Board of Trustees for approval; approval of the NYU Langone Hospitals' budgets rests with the Board of Trustees of NYU Langone Hospitals in compliance with New York State Department of Health regulations. NYU Langone Health's budgets are also reviewed by New York University, the sole member of NYU Langone Health System, and New York University's Board of Trustees approves the budgets for the two medical schools. Financial performance is monitored by the NYU Langone Health Finance Committee and the Board of Trustees.

Organizational Structure

"NYU Langone Health" represents the combined activities of NYU Langone Health System ("NYULH System") and its affiliates, NYU Langone Hospitals and certain components of New York University, which include the NYU Robert I. Grossman School of Medicine ("NYUGSOM") and the NYU Grossman Long Island School of Medicine ("NYUGLISOM") (collectively the "NYU Grossman Schools of Medicine"). NYULH System is a subsidiary of New York University ("NYU") and is the sole corporate member of NYU Langone Hospitals, Long Island Community Hospital at NYU Langone Health (d/b/a Long Island Community Hospital) ("LICH"), Brookhaven Health Care Services Corporation (d/b/a Long Island Community Hospital Foundation) (the "Foundation"), and other related organizations.

NYU Langone Hospitals is the sole obligated entity ("the NYU Langone Hospitals Obligated Group") with respect to the outstanding bonds and other obligations under the NYU Langone Hospitals Master Trust Indenture (the "NYU Langone Hospitals Master Indenture"). None of NYULH System, NYUGSOM, NYUGLISOM, LICH, the Foundation, or NYU is obligated with respect to obligations secured under the NYU Langone Hospitals Master Indenture.

LICH is a not-for-profit acute care hospital located in Suffolk County, New York, and the Foundation is a not-for-profit corporation among whose purposes is to support the mission of LICH, including the solicitation of funds. The Foundation is guarantor of LICH's outstanding bonds (as is NYU Langone Hospitals as described within the *Affiliation with LICH and the Foundation* section) issued by

the Town of Brookhaven Local Development Corporation, specifically such issuer's Revenue Bonds, Long Island Community Hospital Project, Series 2020 (the "LICH Bonds"). LICH is the sole obligated entity ("the LICH Obligated Group") relating to the LICH Bonds. LICH and the Foundation are referred to jointly in this report as the "LICH Credit Group".

NYU Langone Hospitals, LICH, and other related organizations of the NYULH System, have no obligation with respect to the outstanding indebtedness of NYU, including obligations of the NYU Grossman Schools of Medicine.

This quarterly disclosure for the twelve months ended August 31, 2024 and August 31, 2023 represents a new disclosure format for NYU Langone Hospitals and LICH. Previously, separate disclosures were prepared by management for each of the NYU Langone Hospitals Obligated Group and the LICH Credit Group. Starting with this quarterly disclosure, continuing disclosure requirements for the NYU Langone Hospitals Obligated Group and the LICH Obligated Group will be satisfied utilizing this combined NYU Langone Health consolidated disclosure report, which contains both stand-alone obligated group financial statements and operating data, and consolidating financial statements and operating data necessary to satisfy each of the NYU Langone Hospitals Obligated Group and the LICH Obligated Group continuing disclosure requirements.

Executive Leadership Update

On June 12, 2024, Robert I. Grossman, MD announced his plans to retire as CEO of NYU Langone Health and Dean of NYU Grossman School of Medicine at the end of August 2025. A formal national search for Dr. Grossman's successor has commenced. Kenneth G. Langone also announced that he will step down from his position as chair of the NYU Langone Board of Trustees at the end of August 2025, but will remain a member of the Board of Trustees. Fiona Druckenmiller will succeed Mr. Langone as Chair of the NYU Langone Board of Trustees. A member of the Board since 2006, including serving the past seven years as a co-chair, Ms. Druckenmiller is a business leader who serves on multiple corporate boards and has made numerous transformational gifts to NYU Langone Health. These leadership transitions follow years of careful succession planning to ensure NYU Langone Health is fully prepared for this transition.

Merger with Long Island Community Hospital at NYU Langone Health ("LICH")

On April 26, 2024, a certificate of need ("CON") application was submitted to the New York State Department of Health ("NYS DOH") for the full asset merger of Long Island Community Hospital at NYU Langone Health ("LICH") with and into NYU Langone Hospitals, with NYU Langone Hospitals as the surviving corporation. The NYS DOH approved the CON on September 13, 2024. The anticipated date of merger is March 1, 2025, pending receipt of all regulatory and corporate approvals.

Rating Upgrade

In January 2024, Moody's Investors Service upgraded NYU Langone Hospitals' revenue bonds to A1 from A2 and revised the outlook to stable from positive at the higher rating level. Moody's cited NYU Langone Hospitals' "very strong and consistent operating performance and revenue growth relative to peers, driven by NYULH's very strong market position and highly effective and disciplined leadership." In September 2024, in connection with the refunding of DASNY and NCLEAC Series 2014 bonds, Moody's and S&P reaffirmed their A1 and A+ rating with a stable outlook for the 2024 bonds issued through DASNY.

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Introduction

NYU Langone Health is a world-class integrated academic health system and one of the largest in the Northeast—stretching across five inpatient facilities and over 300 locations throughout the New York City region and in Florida. Guided by its purpose to deliver the best outcomes in patient care, education, and science, its more than 51,000 staff members aim to consistently provide life changing care, innovative medical education, and groundbreaking advances in research. NYU Langone Health’s mission to care, to teach, and to discover is achieved daily through a culture of exceptionalism. Its values of performance, respect, integrity, diversity, and excellence influence the way its staff members show up each and every day for its patients, students, and communities.

NYU Langone Hospitals has achieved the highest quality recognition from Centers for Medicare and Medicaid Services and Leapfrog, and has been named No. 1 in Quality and Safety by Vizient, Inc. All NYU Langone Health hospitals have been accredited by The Joint Commission. NYU Langone Health is home to 13 top-ranked specialties in the nation, according to *U.S. News & World Report*. NYU Langone Hospitals are Magnet designated for excellence in nursing and quality patient care from the American Nurses Credentialing Center, an honor achieved by only 9.7% of hospitals in the United States. The Laura and Isaac Perlmutter Cancer Center is designated a Comprehensive Cancer Center by the National Cancer Institute of the National Institutes of Health (“NIH”), its highest recognition of achievement. Rusk Rehabilitation is consistently ranked one of the top 10 rehabilitation programs in the country by *U.S. News & World Report*.

Groundbreaking Medicine

In addition to providing its patients top quality and safety outcomes, NYU Langone Health’s clinicians and researchers have set new standards for the diagnosis and treatment of diseases and have made or contributed to breakthroughs in biomedical science.

In 2015, a team of surgeons led by Eduardo D. Rodriguez, MD, DDS, the Helen L. Kimmel Professor of Reconstructive Plastic Surgery and chair of NYU Langone’s Hansjörg Wyss Department of Plastic Surgery, performed the most extensive face transplant to date, followed in 2020 by the world’s first successful face and double hand transplant and in 2023 by the world’s first whole-eye and partial-face transplant.

In 2021, a team of surgeons led by Robert Montgomery, MD, DPhil, director of the NYU Langone Transplant Institute, the H. Leon Pachter, MD, Professor of Surgery, and chair of the Department of Surgery, performed the first investigational transplant of a kidney grown in a genetically altered pig to a person with complete and irreversible loss of all brain function, whose bodily functions were sus-

tained by mechanical support. In separate investigational procedures performed in June and July 2022, surgeons led by Dr. Montgomery successfully transplanted hearts from genetically altered pigs into brain-dead patients, marking the latest advance toward addressing the nationwide organ shortage and developing a clinical protocol that would provide an alternative supply of organs for people with life-threatening heart disease. In April 2024, surgeons performed the first combined mechanical heart pump and gene-edited pig kidney transplant surgery. The heart pump was surgically implanted days before the surgery to transplant a gene-edited pig kidney and a pig’s thymus gland to aid against rejection. It is only the second transplant of a gene-edited pig kidney into a living person and the first with the thymus combined.

Transforming Medical Education

NYUGSOM has spearheaded innovations that have not only transformed the training of medical students, but also inspired educational reforms at other medical schools nationwide.

In 2013, NYUGSOM began offering an accelerated three-year MD degree for select medical students, an initiative designed to ease the financial burden of medical school and launch medical careers one year earlier than traditional students. The program made NYU Langone Health the first nationally ranked academic medical center in the United States to enable graduates to pursue a career in either primary care or the medical specialty of their choice in three years.

Then, in 2018—and through a groundswell of generosity from hundreds of alumni, trustees, and other scholarship supporters—NYUGSOM once again made history. NYUGSOM became the first top-ranked medical school in the nation to provide full-tuition scholarships to all new and current students, a strategy aimed at reducing the staggering debt incurred by medical students due to the ever-rising cost of their education. The following year, NYU School of Medicine was renamed NYU Grossman School of Medicine in honor of the landmark educational achievements and visionary leadership of Robert I. Grossman, MD, which vaulted the school to national renown. Today, one in six medical school applicants nationwide set their sights on NYUGSOM.

In 2019, NYU Langone Health expanded its medical student training when it launched NYUGLISOM. The school, which also provides full-tuition scholarships, is the only accelerated three-year MD program focused on primary care in New York State.

Leaders in Research

NYU Langone Health is setting the pace as the fastest-

growing research enterprise within a top 20 medical school. NYUGSOM is a highly productive research-intensive school of medicine, with active awards per researcher currently higher than any other top 20 medical school.

Its team of 1,190 principal investigators has amassed a portfolio of NIH funding that has grown from \$129 million in 2007, to \$820 million in 2024.

In 2021, NYUGSOM was selected by the NIH to be the Clinical Science Core of the Researching COVID to Enhance Recovery (RECOVER) Initiative and received a \$450 million parent award. Since then, NYU Langone Health has successfully constructed the RECOVER Consortium, making multiple subawards to a network of lead investigators studying the long-term effects of COVID-19 at 33 institutions across the nation. These researchers coordinate data, monitor protocols, and guide communications with patients and clinicians.

Our Rankings & Honors



Five-Star Quality Rating
by the Centers for Medicare & Medicaid Services (CMS)



Thirteen Specialties Nationally Ranked in the Top 20
by U.S. News & World Report



Magnet Designation
The Only Health System* in New York to Earn Magnet® Recognition Across All Its Hospitals

*Refers to multi-specialty and multi-site hospital organizations



Grade A Leapfrog Hospital Safety Grade
Straight A's for Safety at Our Hospitals in Manhattan, Brooklyn, and Long Island



Vizient's Bernard A. Birnbaum, MD, Quality Leadership Award
Ranked #1 Out of 115 Participating Comprehensive Academic Medical Centers for Quality



Vizient's Ambulatory Care Quality and Accountability Award
Top Ranked Network for Demonstrating Excellence in Delivering High-Quality Outpatient Care



The Gold Seal of Approval®
by The Joint Commission
Reflects a Commitment to Continuous Improvement and Delivering Safe, High-Quality Care

The above Rankings and Honors exclude LICH.

Financial Highlights

NYU Langone Health				
(unaudited)				
(\$ in millions)	For the twelve months ended		change from prior period	
	August 31, 2024	August 31, 2023	\$	%
Operating revenue	\$14,173.5	\$12,414.9	\$1,758.6	14.2%
Operating gain	431.4	358.8	72.6	20.2%
Operating margin	3.0%	2.9%		

Enterprise Overview

NYU Langone Health represents the combined operations of NYU Langone Hospitals, the NYU Grossman Schools of Medicine, LICH, and other NYULH System related organizations. NYU Langone Hospitals is a quaternary care teaching hospital that operates five inpatient acute care facilities and over 40 New York State Public Health Law Article 28-licensed facilities in Manhattan, Brooklyn, Queens, and Long Island. Inpatient facilities in Manhattan include the Kimmel Pavilion (which also houses the Hassenfeld Children's Hospital) and Tisch Hospital, both of which are located on the main 34th Street campus and have a combined 813-beds, as well as NYU Langone Orthopedic Hospital, which is a 225-bed facility specializing in orthopedic, neurologic, and rheumatologic services. NYU Langone Hospital-Brooklyn ("NYU Langone Brooklyn") is a 444-bed facility in the Sunset Park neighborhood of Brooklyn. NYU Langone Hospital-Long Island ("NYU Langone Long Island") is a 591-bed facility located in Mineola, New York. Ambulatory facilities include the Laura and Isaac Perlmutter Cancer Center, a comprehensive cancer and ambulatory care center, and the Joseph S. and Diane H. Steinberg Ambulatory Care Center in the Cobble Hill neighborhood of Brooklyn, which includes a free-standing Emergency Department.

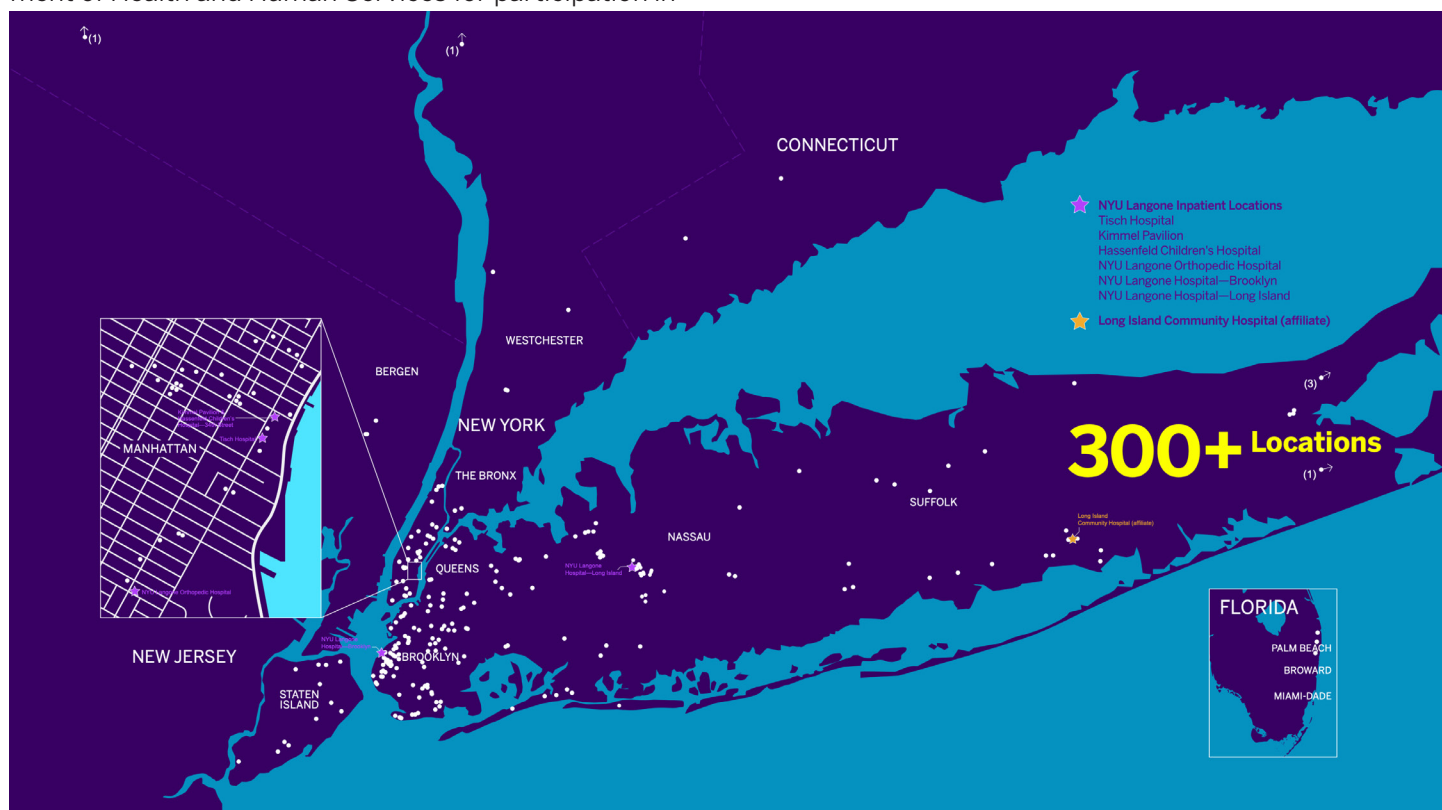
NYU Langone Hospitals is licensed by the New York State Department of Health ("NYS DOH") and accredited by The Joint Commission and the Commission on the Accreditation of Rehabilitation Facilities. NYU Langone Hospitals is also certified by the United States Department of Health and Human Services for participation in

the Medicare and Medicaid programs.

As of August 31, 2024, NYU Langone Hospitals had a professional staff of 5,955 physicians, of whom 4,272 were full-time or part-time employees of NYUGSOM or NYU Langone Hospitals, and the remaining 1,683 were private practice physicians with admitting privileges at NYU Langone Hospitals. In addition, as of August 31, 2024, LICH had a professional staff of 173 physicians, of which all are voluntary physicians with admitting privileges at LICH.

NYU Langone Hospitals owns CCC550 Insurance, SCC ("CCC550"), which provides professional liability insurance to NYU Langone Hospitals, physicians employed by NYUGSOM, and other non-employed physicians. CCC550 is not a member of the NYU Langone Hospitals Obligated Group and is not obligated with respect to any of NYU Langone Hospitals' outstanding debt. No assets or revenues of CCC550 are pledged to secure any of NYU Langone Hospitals' outstanding debt.

As previously noted, NYU Langone Hospitals is integrated with two accredited schools of medicine, NYUGSOM, which for over 180 years has been a pioneer in medical education and since 2018 has proudly offered full-tuition scholarships to all students enrolled in the MD degree program, and NYUGLISOM, which is focused on educating and training physicians and academic leaders in primary care medicine and has also offered full-tuition scholarships since 2019. Additionally, matriculated students



at NYUGLISOM receive a direct pathway to residency at NYU Langone Long Island through the National Resident Matching Program. For the third consecutive year, 100% of the NYUGLISOM's graduating students matched, with 67% entering primary care residencies. Of the 2024 graduating class, 42% will continue their training within NYU Langone Health.

Both schools of medicine operate as unincorporated divisions of NYU. NYU is a separate borrowing entity and NYU Langone Hospitals is not responsible for the indebtedness of the NYU Grossman Schools of Medicine. NYU, through NYUGSOM, employs nearly 3,900 faculty physicians who form the division known as the Faculty Group Practice ("FGP"). FGP physicians deliver patient care at more than 300 ambulatory locations in the New York metropolitan area and two practice locations in Delray Beach and West Palm Beach, Florida. These physicians constitute the principal clinical service providers for NYU Langone Hospitals' facilities and are connected by NYU Langone Health's enterprise-wide electronic medical record system, Epic.

On March 1, 2022, pursuant to the terms of an Affiliation Agreement (the "Affiliation Agreement"), NYULH System became the sole corporate member of LICH, an acute care hospital licensed to operate 306 beds located in Suffolk County, and the Foundation (the "Affiliation"). LICH and the Foundation each remain separate corpora-

tions, responsible for their own respective liabilities and obligations. As a result of the Affiliation Agreement, and beginning on March 1, 2022, LICH changed its name from Brookhaven Memorial Hospital Medical Center, Inc. to LICH and changed its fiscal year from a calendar year to a fiscal year beginning September 1 and ending August 31 to align with the fiscal year of the NYULH System. It is expected that LICH will merge with and into NYU Langone Hospitals effective March 1, 2025, pending the receipt of all necessary corporate and regulatory approvals.

Refer to the "Affiliation with LICH and the Foundation" section for additional considerations regarding the Affiliation Agreement and LICH's outstanding indebtedness.

For the twelve months ended and as of August 31, 2024, NYU Langone Health reported operating revenues of \$14.2 billion and total assets of \$21.2 billion. The NYU Langone Hospitals Obligated Group represents 66.8% of NYU Langone Health's operating revenues and 57.1% of NYU Langone Health's total assets for the twelve months ended and as of August 31, 2024, respectively and the LICH Obligated Group represents 2.6% of NYU Langone Health's operating revenues and 1.9% of NYU Langone Health's total assets for the twelve months ended and as of August 31, 2024, respectively. Management's discussion and analysis of recent financial performance is based upon the financial results of NYU Langone Health, unless otherwise noted.

Recognition for Quality and Excellence

NYU Langone Health's culture of exceptionalism continues to deliver the best outcomes for its patients with one consistently high standard of care across all its locations. Its patient-centered, quality care differentiates it in the marketplace, as demonstrated by its national and local rankings, several of which are noted below. The institution's laser-focus on collecting and analyzing data, its investment in the latest technology and state-of-the-art facilities, and its dedication to patients ensure all its locations live up to the same high standards.

NYU Langone Health and NYU Langone Hospitals have been the recipient of numerous quality and safety awards, in both the inpatient and ambulatory settings. In 2024, NYU Langone Hospitals was recognized by Vizient, Inc. ("Vizient") as the No. 1 comprehensive academic medical center in the nation for the third year in a row and as a top ambulatory system for quality and safety. NYU Langone Long Island and NYU Langone Brooklyn were also named as two of the top specialized complex medical centers in the nation. Vizient is the nation's largest healthcare performance improvement organization, serving more than 65% of the nation's acute care providers, including 97% of the academic medical centers in the United States with over 1,300 hospitals, and more than 35% of the non-acute market. Its rankings are determined by critical factors such as safety, equity of care, effectiveness, efficiency, mortality, and patient-centeredness. In the last quarter, NYU Langone Health received the following awards and recognition for the quality of patient care and excellence as an employer:

- Vizient named NYU Langone Hospitals as No. 1 in the nation for quality care in the comprehensive academic medical centers cohort. NYU Langone Long Island and NYU Langone Brooklyn were also named as some of the top hospitals in the large, specialized complex care medical centers cohort. Finally, NYU Langone Health was named as one of the top ambulatory networks for quality and accountability.
- NYU Langone Health completed 101 living kidney donor transplants, a new institutional record.
- Centers for Medicare and Medicaid Services ("CMS")

- ◊ In October 2024, NYU Langone Health achieved the nation's lowest mortality rate for heart attack patients, according to CMS data. NYU Langone Health's 30-day mortality rate for heart attack patients across all hospitals in the system is an impressive 7.7%, significantly lower than the national benchmark of 13.7%.

- **Newsweek**
 - ◇ In September 2024, *Newsweek* named NYU Langone Hospitals as one of The World's Best Specialized Hospitals 2025 in the following specializations: Cardiac Surgery, Cardiology, Endocrinology, Gastroenterology, Neurology, Neurosurgery, Oncology, Orthopedics, Pulmonology, and Urology.
 - ◇ In September 2024, *Newsweek* recognized NYU Langone Hospitals as one of The World's Best Smart Hospitals, with electronic functionalities and virtualization being named as standout categories.
- **American Association of Critical-Care Nurses**
 - ◇ In July 2024, the Medical Intensive Care Unit at Tisch Hospital and Kimmel Pavilion won the Beacon Award for Excellence. The American Association of Critical-Care Nurses provides this unit-based award to nurses who demonstrate a commitment to enhancing nursing practice and providing exceptional patient care in a nurturing and supportive work environment.
 - ◇ In August 2024, NYU Langone Long Island's Neurointensive Care Unit was honored with the gold-level Beacon Award for Excellence, which is the highest designation awarded and held by only one other neuro ICU in New York State. Gold level indicates sustained unit performance and improvements in patient outcomes that exceed national benchmarks.

Other Recent Accolades

- NYU Langone Health received triennial accreditation from The Joint Commission on Accreditation and was awarded specialty certifications across its hospitals in several programs:
 - ◇ New Certification in Health Equity was awarded to all hospitals
 - ◇ Achieved renewal of Stroke Rehabilitation Certification at NYU Langone Brooklyn
 - ◇ Achieved renewal of Certification in Advanced Perinatal Care and renewal of Certification in Palliative Care at its hospitals in Manhattan, Brooklyn, and Long Island
- **U.S. News & World Report**
 - ◇ NYU Langone Hospitals continues to be recognized in all but one specialty, with 13 specialties receiving top 20 rankings in the 2024-25 *U.S. News & World Report*, up from 11 specialties last year. Neurology and Neurosurgery remained at its No. 1 ranking and Pulmonology and Lung Surgery tied for the No. 1 spot this year. Additionally, the following specialties improved in ranking: Cancer; Cardiology, Heart and Vascular Surgery; Ear, Nose, and Throat; Obstetrics and Gynecology; Orthopedics; Pulmonology and Lung Surgery; Rehabilitation; and Urology.
 - ◇ In the 2024-25 *U.S. News & World Report* "Best Hospitals" rankings, NYU Langone Hospitals was named to the Honor Roll for Top Hospitals in the Nation. NYU Langone Hospitals tied for No. 1 in New York State and also tied for No. 1 in the New York City metro area.
 - ◇ Hassenfeld Children's Hospital is No. 1 in pediatric cardiology and heart surgery in New York State, according to the 2023-24 *U.S. News & World Report* "Best Children's Hospitals" survey. In addition, Hassenfeld Children's Hospital tied overall for No. 4 in New York City and No. 12 in the Mid-Atlantic Region.
 - ◇ In December 2023, NYU Langone Hospitals received a high-performance designation from *U.S. News & World Report* as part of its "Best Hospitals for Maternity Care" survey.
- Tisch Hospital/Kimmel Pavilion in Manhattan, NYU Langone Brooklyn, and NYU Langone Long Island were each awarded an 'A' score in the spring 2024 Leapfrog Hospital Safety Grade, a national distinction recognizing NYU Langone Hospitals' achievement in providing the highest level of patient care across the health system and an honor attained by only 29% of hospitals across the country. NYU Langone Brooklyn remains the only hospital in that borough with an 'A' score.
- In July 2024, the Emergency Nurses Association gave the Lantern Award to Ronald O. Perelman Center for Emergency Services and NYU Langone Health's Cobble Hill Emergency Department, which recognizes emergency departments that demonstrate exceptional and innovative performance in leadership, practice, education, advocacy, and research. All four of NYU Langone Hospitals' emergency departments have now received this award.
- The Laura and Isaac Perlmutter Cancer Center was once again designated a Comprehensive Cancer Center by the National Cancer Institute of the National Cancer Institutes of the NIH, its highest recognition of achievement. The Center achieved an outstanding score on its renewal, which will last for the next seven years.

- *Newsweek*
 - ◇ Tisch Hospital/Kimmel Pavilion in Manhattan, NYU Langone Brooklyn, and NYU Langone Long Island were recognized by *Newsweek* as “5 ribbon hospitals” in its list of America’s Best Maternity Hospitals for 2024.
- In May 2024, NYU Langone Health’s Comprehensive Epilepsy Center achieved the highest possible ranking via accreditation as a Level 4 Adult and Level 4 Pediatric Epilepsy Center by the National Association of Epilepsy Centers.
- NYU Langone Health achieved national rankings by the Scientific Registry of Transplant Recipients:
 - ◇ No. 1 in Quality in the U.S. for Lung and Kidney Programs
 - ◇ No. 4 in the U.S. and No. 1 in New York State for Adult Liver Transplant Programs
- Centers for Medicare and Medicaid Services (“CMS”)
 - ◇ NYU Langone Hospitals achieved a five-star rating on the CMS Hospital Compare for 2024, a rating received by only 13.4% of evaluated hospitals. NYU Langone Hospitals is one of only ten five-star hospitals in New York State.
- Magnet®
 - ◇ Tisch Hospital/Kimmel Pavilion received its fifth consecutive Magnet® designation in June 2024. Less than 1% of all hospitals in the U.S. have been Magnet® designated five times.
 - ◇ NYU Langone Hospitals’ locations have earned the Magnet® designation for excellence in nursing and quality patient care from the American Nurses Credentialing Center, and honor achieved by only 9.7% of hospitals in the U.S.
 - ◇ NYU Langone Brooklyn is the first and only hospital in Brooklyn to receive Magnet® recognition for excellence in nursing and quality patient care.

Other safety and quality awards

- ◇ NYU Langone Hospitals was recognized as the No. 1 hospital in New York State in Cardiac Care, Cardiology, Gastrointestinal Care, Gastrointestinal Medical, Gastrointestinal Surgery, Neurosciences, Pulmonary Care, and Stroke Care, and No. 2 in Coronary Intervention in the Healthgrades 2024 State Rankings Awards.
- ◇ Tisch Hospital/Kimmel Pavilion achieved three-star ratings for cardiac and thoracic surgery procedures from the Society of Thoracic Surgeons, the highest possible rating.
- ◇ In April 2024, NYU Langone Hospitals was recognized by Turquoise Health, a healthcare pricing platform, for having the highest level of adherence to the Federal Price Transparency Rule.
- ◇ In October 2024, The College of Healthcare Information Management Executives revalidated NYU Langone Health as a Level 10 Digital Health Most Wired Ambulatory and Acute Care Organization, reflecting NYU Langone Health’s commitment to providing world-class patient care through the use of digital tech, advanced analytics, and AI. NYU Langone Health is the only institution in New York to receive Level 10 designation, and one of only 26 health systems nationwide to receive this distinction.

NYU Langone Health received recognition on the following prestigious Best Employer award lists:

- ◇ 2024 America's Greatest Workplaces for Mental Wellbeing by *Newsweek*
- ◇ 2024 America's Greatest Workplaces for LGBTQ+ by *Newsweek*
- ◇ 2024 America's Greatest Workplaces by *Newsweek*
- ◇ 2024 America's Greatest Workplaces for Parents & Families by *Newsweek*
- ◇ 2024 Best Place to Work for Disability Inclusion by Disability Equality Index
- ◇ 2024 Best-in-State Employer by *Forbes*
- ◇ 2024 Inclusion Index by Seramount
- ◇ 2024 Best Companies for Multicultural Women by Seramount
- ◇ 2024 Workplace Wellness Award by Ragan
- ◇ 2024 Best Employers: Excellence in Health & Well Being by Business Group on Health
- ◇ 2024 Best Employers: Excellence in Mental Health by Business Group on Health
- ◇ 2024 Top Companies for Talent Acquisition for Women of Color by Fair360
- ◇ 2024 Top Companies for Executive Women by Fair360
- ◇ 2024 Platinum Bell Seal for Workplace Mental Health by Mental Health America
- ◇ NYU Langone Health was named a LGBTQ+ Healthcare Equality Leader by the Human Rights Campaign Foundation, the nation's largest LGBTQ+ advocacy group, in its Healthcare Equality Index

Our Employer Recognition

Our culture of exceptionalism is reflected in the numerous awards we've received.



Management's Discussion and Analysis of Recent Financial Performance

Results from Operations

(\$ in thousands)	(unaudited)			
	For the twelve months ended		change from prior period	
	August 31, 2024	August 31, 2023	\$	%
NYU Langone Health				
Operating revenue	\$ 14,173,508	\$ 12,414,924	\$ 1,758,584	14.2%
Operating expenses	13,742,072	12,056,135	1,685,937	14.0%
Gain from operations	\$ 431,436	\$ 358,789	\$ 72,647	20.2%
Operating margin %	3.0%	2.9%		
NYU Langone Hospitals				
Operating revenue	\$ 9,546,770	\$ 8,337,715	\$ 1,209,055	14.5%
Operating expenses	8,796,816	7,651,460	1,145,356	15.0%
Gain from operations	\$ \$749,954	\$ 686,255	\$ 63,699	9.3%
Operating margin %	7.9%	8.2%		
NYU Grossman Schools of Medicine				
Operating revenue	\$ 5,949,248	\$ 5,195,114	\$ 754,134	14.5%
Operating expenses	6,252,614	5,468,848	783,766	14.3%
Gain from operations	\$ (303,366)	\$ (273,734)	\$ (29,632)	10.8%
Operating margin %	-5.1%	-5.3%		

NYU Langone Health recorded a gain from operations of \$431.4 million for the twelve months ended August 31, 2024, for an operating margin of 3.0%, compared with a gain from operations of \$358.8 million for the twelve months ended August 31, 2023, for an operating margin of 2.9%.

Furthermore, within the NYU Langone Health operating margin for the twelve months ended August 31, 2024 is the NYU Langone Hospitals Obligated Group gain of \$750.0 million for an operating margin of 7.9%; the LICH Obligated Group loss of \$16.8 million for an operating margin of -4.5%; and the NYU Grossman Schools of Medicine loss of \$303.4 million for an operating margin of -5.1%. Within the NYU Langone Health operating margin for the twelve months ended August 31, 2023, is the NYU Langone Hospitals Obligated Group gain of \$686.3 million for an operating margin of 8.3%; the LICH Obligated Group loss of \$47.4 million for an operating margin of

-17.3%; and the NYU Grossman Schools of Medicine loss of \$273.7 million for an operating margin of -5.3%. Refer to the "Obligated Group Financial Highlights" and "Financial Statements" sections for the metrics and financial statements of the obligated groups.

For the twelve months ended August 31, 2024, NYU Langone Health recorded total revenue of \$14.2 billion: 30.8% from inpatient operations; 28.1% from outpatient operations; 19.1% from FGP patient services; and 22.0% from other sources. As compared to the twelve months ended August 31, 2023, total revenue increased by \$1.8 billion or by 14.2%. Management attributes the increase to a 6.5% increase in inpatient discharges and a 6.3% increase in outpatient visits. Management further attributes a portion of the increase to pharmacy revenue, which increased by \$184.1 million or by 26.8% over the prior comparable period.

In January 2024, CMS issued a settlement payment to NYU Langone Hospitals totaling \$122.3 million (the “CMS Settlement”) to remedy invalidated Outpatient Prospective Payment System 340B-acquired drug payment policy for calendar years 2018 through September 2022. The CMS Settlement is recorded within Other Items, outside of the gain from operations but within the performance indicator on the Statement of Operations. Given both the materiality of the settlement payment as well as the time periods to which the settlement relates, including the settlement as part of net patient service revenue would distort fiscal year 2024 operating results.

Accordingly, the revenues referenced above for the twelve months ended August 31, 2024, exclude the CMS Settlement.

For the twelve months ended August 31, 2024, NYU Langone Health recorded total operating expenses of \$13.7 billion: 60.1% salaries and benefits; 32.3% pharmaceutical, medical, and other supplies; 6.0% depreciation and amortization; and 1.6% interest. As compared to the twelve months ended August 31, 2023, total operating expenses increased by \$1.7 billion or 14.0%. Management attributes the increase primarily to increases in salaries and wages as well as pharmacy costs and medical supplies, which were offset by increased pharmacy and patient service revenue, as described above.

For the twelve months ended August 31, 2024, the increase in the change in net assets without donor restrictions was \$890.5 million, primarily attributable to a gain from operations of \$431.4 million, investment return of \$208.5 million, the CMS settlement of \$122.3 million, revenue recognized for FEMA capital awards totaling \$50.4 million, net assets released for capital expenditures of \$38.7 million, actuarial gains from pension and post-retirement plans of \$13.2 million, and other items.



Summarized Balance Sheets

NYU Langone Health			
Summarized Balance Sheets			
	(unaudited)		(unaudited)
(\$ in thousands)	August 31, 2024		August 31, 2023
Assets			
Cash and cash equivalents	\$	1,621,379	\$ 403,339
Investments		3,427,087	4,327,721
Assets limited as to use		1,913,803	1,678,948
Patient accounts receivable, net		1,532,383	1,223,088
Operating lease right of use assets		1,572,334	1,497,096
Property, plant and equipment, net		9,718,126	9,323,599
Other assets		1,335,155	1,367,703
Total assets	\$	21,120,267	\$ 19,821,494
Liabilities and net assets			
Accounts payable and accrued expenses	\$	970,939	\$ 803,480
Accrued salaries and related liabilities		842,420	827,207
Operating lease liabilities		1,743,553	1,647,855
Accrued pension and postretirement liabilities		357,702	402,538
Long-term debt		5,529,525	5,687,113
Other liabilities		2,262,756	2,103,174
Total liabilities		11,706,895	11,471,367
Net assets		9,413,372	8,350,127
Total liabilities and net assets	\$	21,120,267	\$ 19,821,494

As of August 31, 2024, cash and investments totaled \$5.0 billion, an increase of \$317.4 million or 6.7% as compared to August 31, 2023. The increase in cash and investments from August 31, 2023 is primarily attributable to cash generated from operations of \$1.0 billion, a \$532.6 million increase from investment gains, and receipt of the CMS settlement payment of \$122.3 million. These increases were partially offset by expenditures of \$1.2 billion to support NYU Langone Health's capital investments.

Assets limited as to use increased \$234.9 million from \$1.7 billion at August 31, 2023 to \$1.9 billion at August 31, 2024, primarily attributable to growth in assets held by CCC550 from investment gains and new premiums invested, as well as investment gains and contributions of \$78.7 million in 457(b) plan assets. This growth was partially offset by the release of funds held by the Bond Trustee for the DASNY Series 2020A tax-exempt bonds to reimburse NYU Langone Hospitals for eligible capital costs incurred for the projects financed under the DASNY Series 2020A tax-exempt bonds.

The days revenue in patient accounts receivable ("Days in AR") was 57 days as of August 31, 2024, which is an increase of 5 days since August 31, 2023. Management

attributes this increase to growth in patient accounts receivable, primarily driven by growth in net patient service revenue as previously described.

Other assets decreased \$32.5 million from \$1,367.7 million at August 31, 2023 to \$1,335.2 million at August 31, 2024. The decrease is primarily driven by a \$50.4 million receivable recorded for two project worksheets from the Federal Emergency Management Agency ("FEMA") to reimburse eligible expenses related to the COVID-19 pandemic where funds were approved by FEMA for the reimbursement of submitted eligible expenses and transferred to New York State. In October 2024, NYU Langone Health received a \$48.6 million payment in satisfaction of one of the obligated project worksheets. While the COVID-19 public health emergency ended in May 2023, NYU Langone Health continues to pursue reimbursement of eligible operating expenses through the submission of additional FEMA project worksheets; however, future amounts awarded cannot be determined at this time. This increase is offset by a \$31.5 million reduction in contributions receivable, a \$31.4 million goodwill write-off, and a \$9.6 million reduction in intercompany balances due from affiliated entities, and miscellaneous other items.

Liquidity and Investments

NYU Langone Health maintains a laddered portfolio of U.S. Treasury bills, Certificates of Deposit, money market funds, and interest-bearing cash balances to support operating cash flows while also optimizing yield. Cash and cash equivalents increased by \$1.2 billion from August 31, 2023, arising from a strategic shift from U.S. Treasuries to cash deposits offering higher yields and the result of shortening the duration of investments in U.S. Treasuries to securities with maturities of 90 days or less. NYU Langone Health's policy defines cash equivalents as highly liquid financial instruments with a maturity of three months or less when purchased. NYU Langone Health's investments consist of only liquid securities, including short-term U.S. Treasury bills and publicly traded equities.

In addition to the above sources of liquidity, NYU Langone Health, leveraging the credit of NYU Langone Hospitals, maintains five lines of credit at five commercial banks with an aggregate available balance of \$718.8 million. As of August 31, 2024, no amounts were outstanding on these lines of credit. All five lines of credit reference the Secured Overnight Financing Rate ("SOFR") as a benchmark.

Philanthropy

NYU Langone Health performs fundraising and reports philanthropic contributions on a combined basis and received total cash contributions of \$256.0 million in the twelve months ended August 31, 2024, of which \$115.4 million was allocable to NYU Langone Hospitals, and \$202.6 million in fiscal year 2023, of which \$68.0 million was allocable to NYU Langone Hospitals.

Affiliation with LICH and the Foundation

As noted above, LICH and the Foundation became affiliated with NYU Langone Health in March 2022 when the NYULH System became the sole corporate member of LICH and the Foundation. Each of LICH and the Foundation remain separate corporations, responsible for their own respective liabilities and obligations, including their obligations with respect to the Town of Brookhaven Local Development Corporation Revenue Bonds, Long Island Community Hospital Project, Series 2020 (the "LICH Bonds"). In January 2023, NYU Langone Hospitals provided an unsecured guaranty of the LICH Bonds (the "NYU Langone Guaranty"). The NYU Langone Guaranty is an unsecured, general obligation of NYU Langone Hospitals and is not secured by any obligation issued under the NYU Langone Hospitals Master Indenture. The Foundation's guaranty of the LICH Bonds also remains in effect. LICH and the Foundation have no obligation with respect to the outstanding obligations of NYU Langone Hospitals.

The Affiliation Agreement provides that NYULH System will make at least \$100 million of capital investments (including information technology) at LICH. Through August 31, 2024, NYULH System has made \$103.7 million in capital investments at LICH under the Affiliation.

Since the Affiliation in March 2022, NYU Langone Health has helped LICH to augment staffing levels, implement new clinical services and surgical sub-specialties intended to increase volume, and continue to build out a clinically integrated healthcare network in eastern Long Island, including ambulatory facilities and physician practices. The governing bodies of NYU Langone Hospitals, LICH, and the NYULH System have determined that implement-

ing the full asset merger of LICH with and into NYU Langone Hospitals will further enhance patient care. To that end, and as previously noted, on September 13, 2024, the CON application for the full asset merger of LICH with and into NYU Langone Hospitals was approved by the NYS DOH. Upon the merger, LICH will cease to exist as a separate entity. The NYULH System will continue in its role as the sole member and passive parent of NYU Langone Hospitals, and NYU will continue to be the sole corporate member and passive parent of the NYULH System. The LICH campus will be doing business as NYU Langone Hospital-Suffolk and will be operated as a division of NYU Langone Hospitals, along with the Kimmel Pavilion, Tisch Hospital, NYU Langone Orthopedic Hospital, NYU Langone Brooklyn, and NYU Langone Long Island. Following the full asset merger of LICH, NYU Langone Health anticipates that the Foundation will continue to exist as a separate legal entity, with the NYULH System as its sole member, to support the mission of NYU Langone Hospitals and will continue to guarantee the outstanding LICH Bonds.

In addition to this CON, an application was also submitted to the New York State Office of Addiction Services and Support ("OASAS") for NYU Langone Hospitals to become the licensed operator of LICH's existing substance abuse services. OASAS granted NYU Langone Hospitals contingent approval on September 12, 2024. An Easy Prior Approval Review application was also submitted for approval by the New York State Office of Mental Health for NYU Langone Hospitals to be able to provide mental health services at this location.

Medical School Payments

NYU Langone Hospitals and the NYULH System provide support for the clinical, research, and education missions of the NYU Grossman Schools of Medicine, including costs related to the expansion of FGP clinical programs. For the twelve months ended August 31, 2024, NYU Langone Hospitals and the NYULH System provided support of \$1.2 billion, which is recorded in supplies and other expenses within the Statement of Operations. Of this total, \$926.4 million is in support of the clinical mission and the remaining \$231.6 million supports the research and education missions. This is an increase of \$29.5 million or 3.3% more than the comparable prior period of \$896.9 million. The increase in the level of support is reflective of the growth of these missions. Support provided is recorded as an operating expense to the NYULH System and operating revenue to the NYU Grossman Schools of Medicine which eliminate upon combination in the NYU Langone Health Statements of Operations.

NYU Langone Hospitals views the strength and scale of the FGP as critical to the accomplishment of NYU Langone Hospitals' quality and strategic goals. The FGP employs the physicians constituting 71.7% of the active medical staff of NYU Langone Hospitals, and NYU Langone Hospitals believes that attracting and retaining the highest quality clinical staff depends in part on the vibrancy of the research and teaching programs and the overall depth and scale of the FGP. The FGP has expanded into Long Island and other areas, and the historic level of subsidy to the FGP for joint program support has continued to grow. While establishing new practices and expanding

existing practices has resulted in additional support costs, the associated physician recruitment and capital spending will build a reliable network of high-quality providers broadening the range of services available to the surrounding communities.

Although NYU Langone Hospitals is not obligated to increase funding to the NYU Grossman Schools of Medicine, management anticipates that given the close inter-connection between NYU Langone Hospitals and the NYU Grossman Schools of Medicine, and the importance of the FGP to NYU Langone Hospitals' strategic plans, NYU Langone Hospitals may decide to increase future funding to the NYU Grossman Schools of Medicine and will continue to offset any deficit in the NYU Grossman Schools of Medicine's cash flows from operations. Management anticipates that cash flows for capital spending and other non-operating needs will be funded through additional equity transfers from NYU Langone Hospitals to the NYU Grossman Schools of Medicine. All such transfers would be made in accordance with the requirements of the NYU Langone Hospitals Master Indenture.

In addition to the support described above, NYU Langone Hospitals has committed to provide annual mission support to NYUGSOM for joint clinical, research, and teaching programs of \$50.0 million per year. For the twelve months ended August 31, 2024, NYU Langone Hospitals transferred \$50.0 million of the 2024 budgeted mission payment to NYUGSOM.

Major Construction Projects

Management is developing long-range plans for NYU Langone Long Island that are currently anticipated to include development of a new inpatient hospital campus in Nassau County over the next ten years. This significant development is dependent upon site acquisition, as well as internal and external approvals, and is subject to market conditions and other factors. Plans for Long Island also include the development of other sites across Long Island.

In Patchogue, construction is underway on a new 54,000 square foot ambulatory surgery and multi-specialty center. An adaptive re-use of a former department store on Main Street, the site will include physician practices for gastroenterology, urology, and colorectal care in addition to four operating rooms and two endoscopy/procedure rooms. The facility is expected to open to patients in late 2025.

In Manhasset, work is ongoing on another adaptive re-use of a former department store at 1440 Northern Boulevard to become a new three-story ambulatory care hub that will include ambulatory surgery, endoscopy, comprehensive imaging, and multi-specialty physician practices including orthopedic, pulmonary, cardiovascular and gastrointestinal care. The project is approximately 162,000 square feet and will yield 72 exam rooms, six endoscopy rooms, and eight operating rooms with 42 recovery bays. Both the endoscopy and operating suites will be Article 28 licensed. The facility is expected to open to patients in 2026.

On the main Manhattan campus, major renovation projects are underway at the Medical Science Building, the Schwartz Health Care Center, and at 540 First Avenue.

- The Medical Science Building is being renovated for both hospital operations space as well as for an expansion and modernization of research space. Over 100,000 square feet of the building is being renovated across the north and south wings on all floors, and the existing building infrastructure is being fully modernized.

- The Schwartz Health Care Center is being renovated, which will include the construction of a new comprehensive heart center, including space for an expanded transplant program. The project also seeks to position several outpatient services together that were previously scattered over several locations. This update will serve to streamline efficiency and improve patient experience, particularly for patients seeing multiple specialty physicians or surgeons or receiving multiple treatments. The total project area is over 100,000 square feet.
- The research floors at 540 First Avenue have been re-imagined. Construction is near completion, with phased occupancy scheduled to begin before the end of the calendar year on the full-scale renovation of over 150,000 square feet of laboratory and associated mechanical equipment floors. With a focus on collaboration, the laboratory floors will feature both visual and physician connectivity between offices and wet laboratories, and a variety of meeting and interactive spaces. A new entry sequence includes re-oriented connecting stairs and custom two-story art walls. The design emphasizes natural light, connectivity, and scientific collaboration with an efficient layout allowing each of the four floors to host up to ten principal investigators and 72 researchers, as well as various specialty research and laboratory support spaces.

At NYU Langone Orthopedic Center at 338 East 38th Street, a 265,000 square foot major renovation is underway which will expand the clinical footprint by 187,000 square feet. This project will provide 18 new operating rooms, 72 prep/recovery bays, as well as a 65,000 square foot expansion of orthopedic outpatient programs. The renovation includes a comprehensive replacement and upgrade of the building's mechanical, electrical, and plumbing infrastructure.

In Brooklyn, foundation work is nearing completion and construction has started on a new 120,000 square foot ambulatory hub. This ground-up development is located immediately adjacent to the hospital, and will house ambulatory surgery, FGP physician offices, and a clinic for the Family Health Centers at NYU Langone ("FHC"). The project will yield four endoscopy rooms with 14 recovery bays, six operating rooms with 21 recovery bays, 27 FHC exam spaces, and 20 FGP exam spaces. The endoscopy and operating suites will be Article 28 licensed sites. In November 2023, NYU Langone Brooklyn also received approval from the NYS DOH to begin an adult cardiac surgery program. This will allow patients to receive quality cardiac care in their own community. Construction for the first phase of this new inpatient service in the hospital is currently ongoing.

A significant expansion of outpatient services is underway in Florida, including a new 180,000 square foot free-standing multi-specialty ambulatory hub in West Palm Beach, including four operating rooms, two endoscopy procedure rooms, a full complement of radiology modalities, physical therapy and multi-specialty FGP physician offices. In February 2024, NYU Langone Health received a \$75 million gift in support of this project, which NYU Langone Health anticipates will serve 150,000 patients annually across Florida. Site preparation and construction started in June and the new facility is expected to open to patients in 2026.

Management anticipates that costs associated with any specific plans or projects will be funded from a combination of income generated from operations, philanthropy, and additional debt. Any borrowing in connection with such plans would be made in compliance with the requirements of the NYU Langone Hospitals Master Indenture.

Affiliations

From time-to-time, NYU Langone Hospitals may consider affiliating with other acute care hospitals if NYU Langone Hospitals believes it would further its mission. No letters of intent or other binding documents have been executed with other hospitals in connection with potential affiliations.

Other Current Events

On February 21, 2024, Change Healthcare, a subsidiary of Optum/United Health Group, was forced to shut down information technology systems and services due to a cyberattack. NYU Langone Health is among the many healthcare systems that rely on Change Healthcare for its Assurance and Clearance platforms for critical operational needs, including claim submission, patient insurance verification, pharmacy verification, and receipt of payor remittances. That same day, NYU Langone Health disconnected its systems from Change Healthcare, and hospital billing was suspended for several days at the end of February.

On February 22, 2024, NYU Langone Health selected alternate vendor platforms to perform both insurance eligibility verification and claim / remittance exchange. NYU Langone Health's Information Technology ("IT") department immediately integrated these platforms with Epic and by February 27, 2024, NYU Langone Health was submitting claims to select payors. By the first week of March, NYU Langone Health was submitting claims for all payers via the new platforms. The impact to patient care and financial operations has been significantly mitigated due to these measures.

Throughout March, NYU Langone Health worked directly with Optum and related cybersecurity experts to ensure that the updated Change Healthcare platforms were secure. On March 29, 2024, NYU Langone Health reconnected its systems to Change Healthcare and began submitting claims as payors also began to reconnect to the system. NYU Langone Health returned to its normal claim submission operations in June 2024.

Cybersecurity

Cybersecurity is, and will continue to be, a strategic focus for NYU Langone Health across all campus locations. Its approach to the cyber technology landscape is to be dynamic and keeps pace with the latest technologies while implementing security layers to safeguard digital assets. NYU Langone Health leverages multiple levels of advanced technologies to protect its digital assets. By implementing defense-in-depth cybersecurity measures, prioritizing human-centric security practices, and following industry best practices, NYU Langone Health has committed to establishing a comprehensive, resilient, and adaptive cybersecurity framework:

- **Cyber Threat Management and Incident Response:** These programs anticipate and respond to emerging threats and incidents with informed precision, working to ensure that any suspicious activities are promptly addressed.
- **Vulnerability Management:** This program proactively identifies critical vulnerabilities and works with the IT teams to remediate them before they become issues.
- **Security Architecture & Engineering and Penetration Testing:** These programs evaluate the security of NYU Langone Health technologies and applications to strengthen and secure core digital assets.
- **Security Awareness and Education:** This program includes phishing simulations, monthly security videos and posters, pop-up security events, department presentations, newsletters, gamifications, and themed broadcasts to education and engage staff, building a formidable human firewall against cyber threats.

NYU Langone Health continues to invest in advanced technologies such as ransom-proof backups, remote access management, and network segmentation to further reinforce its security posture. NYU Langone Health currently maintains privacy liability and network security insurance through claims-made policies. NYU Langone Health is self-insured, with a primary insurance carrier who provides coverage above the self-insurance portion. Excess limits above the self-insurance portion and primary insurance coverage are shared among several commercial carriers.

Role of Artificial Intelligence



Early on, NYU Langone Health recognized the potential of Artificial Intelligence (“AI”) to improve the efficiency, quality, and safety of health care delivery. Beginning in 2017, NYU Langone Health invested in recruiting high talent to unlock the potential of AI and created the Division of Applied AI Technologies (“DAAIT”). Today, the DAAIT in NYU Langone Health’s IT department uses data and modeling to predict health outcomes across the enterprise, helping clinicians and staff make important clinical decisions in real-time, while increasing operational efficiencies. NYU Langone Health now employs a combination of home-grown and vendor-based models counting over 50 models in production, publishing thought leadership articles via social media and external communication platforms, submitting AI findings to national and international medical journals, and developing the standards that will define how AI is used in healthcare. NYU Langone Health is also one of the first institutions to use a private HIPAA-compliant ChatGPT instance.

NYU Langone Health continues to invest in ongoing priority AI initiatives to enhance efficiency, patient safety, and quality. NYU Langone Health also fosters AI innovation that extends beyond these three focus areas. For example, in the clinical realm, this includes studying generative AI for drafting responses to patients; ambient notetaking during patient visits; evaluating and standardizing provider-written documentation; and using generative AI to identify incremental findings in radiology exams and to write patient-friendly discharge summaries. With these foundational works, NYU Langone Health’s goal is to implement these models in clinical practice with proper guardrails, and to measure the impact with experimental designs, such as randomized controlled trials. Another example of using AI at NYU Langone Health is helping physicians capture patients with comorbid conditions

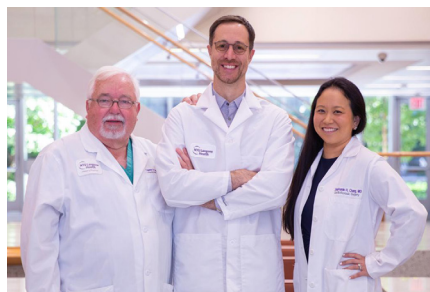
relevant to the primary admission reason, and to ensure that the physicians’ orders were carried through, as well as projects that focus on overall patient engagement.

NYUTron, a BERT-style (Bidirectional Encoder Representations from Transformers) large language model that was created at NYU Langone Health, was trained on 7.25 million patient-care notes and 4.1 billion words, incorporating data spanning nearly a decade. Built in roughly three weeks by NYU Langone Health, the 109-million-parameter model is being put to the test with patients. NYU Langone Health’s contribution was evaluating its effectiveness for real clinical tasks, such as predicting inpatient hospital mortality, computing the comorbidity index, 30-day all-cause readmission, length of stay, and payer denial at discharge. NYU Langone Health is now building clinical trials around these models. For inpatient mortality use cases, NYUTron aims to improve patient care by providing early warnings and facilitating important conversations about patient care preferences and, when appropriate, end-of-life planning.

To continue innovating and identifying new ideas, NYU Langone Health created a citizen data scientist program with a goal of empowering every person at the institution to experiment with NYU Langone Health’s private ChatGPT. Over the last year, NYU Langone Health developed events such as Generative AI prompt-a-thons, hack-a-thons, educational materials, and weekly office hours designed to support users in developing and iterating AI ideas. Today, there are over 2,000 users. NYU Langone Health has five GPT-based models in production, with nearly 20 in active development, and multiple others in the backlog. NYU Langone Health’s institutional and hospital leadership fully support and champion these AI initiatives and believe these applications will be transformative for NYU Langone Health now and in the future.

NYU Langone Health implements all AI models under a common concern to deploy these models safely, equitably, and ethically on NYU Langone Health’s secure HIPAA-compliant IT platforms, and provide clear guidance to clinicians, researchers, and staff with policies to guide their use. NYU Langone Health is laying the groundwork for scalable success in AI by prioritizing infrastructure and assuring privacy and security across all its cloud providers’ AI products. This work involved deep dives into the security and architecture of each system, understanding the risks and building appropriate compensatory controls, if applicable, including amending business associate agreements.

Medical Advances



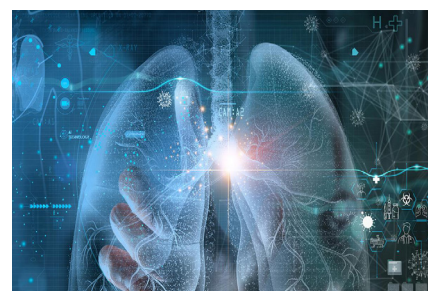
First fully robotic lung transplant

In September 2024, NYU Langone Health announced that its surgeons had performed the first fully robotic lung transplant in the nation. The procedure marks a new milestone in surgical innovation and patient care, making NYU Langone Health only the third program in the world to use a robotic system in a lung transplant surgery. Surgeons performed a minimally invasive procedure to transplant a patient's right lung by creating small incisions between the ribs on the right side of the chest and then using the robotic system to remove the lung, prepare the surgical site for implantation, and implant the new lung. The second lung was transplanted through an open incision on the patient's left side. The NYU Lan-

gone Transplant Institute performed 78 lung transplants in 2024 and was rated best in the nation for lung survival after transplant and getting patients off the waitlists fastest by the Scientific Registry of Transplant Recipients, a national quality tracker overseen by the U.S. Department of Health & Human Services.

Long COVID in children and adolescents

A research team led by the National Institutes of Health's RECOVER Initiative and supported by its Clinical Science Core at NYUGSOM has designed a new way to identify which school-age children and adolescents are most likely to have long COVID. Published online in August 2024, in the Journal of the American Medical Association, the study index used combinations of symptoms distinct for each age group—ten symptoms in school-age children and eight in adolescents—to indicate the likely presence of long COVID. The research index is based on long-term symptoms that were more common among children with a history of COVID-19 infection when compared to those who had no history of infection.



Kidney transplantation risks drop

The risk of death for kidney donors has dropped by more than half, according to a study led by faculty members at the NYUGSOM. The study was published online in August 2024 and challenges current mortality rate statistics. According to the Organ Procurement and Transplantation Network, roughly 6,000 Americans volunteer to donate a kidney each year. Before undergoing the procedure, donors are informed of the potential risks, including death. Based on data from 1995 through 2009, healthcare experts formerly predicted that about three of every 10,000 donors were likely to die within three months of the procedure. The authors of the new NYU Langone Health study argue that advances in surgical techniques, donor

selection, and postoperative care have rendered that estimate outdated. Analyzing three decades of medical records representing 164,593 kidney donors from across the country, a team led by researchers at NYU Langone Health found that by 2022, fewer than one death occurred for every 10,000 donations. The new report is the first since 2009 to examine trends in mortality risk among living kidney donors. As a result, it better reflects the reality of organ donation when laparoscopic nephrectomy is standard practice.

Xenotransplantation

In April 2024, surgeons at NYU Langone Health performed the first combined mechanical heart pump and gene-edited pig kidney transplant surgery. The heart pump was surgically implanted days before embarking on the transplant, which included a gene-edited kidney and a pig's thymus gland to aid against rejection. To date, there have been no documented instances of anyone with a mechanical heart pump receiving an organ transplant of any kind. It is only the second transplant of a gene-edited pig kidney into a living person and the first with the thymus combined. Unfortunately, the kidney presented unique challenges working with the patient's heart pump and it was electively removed forty-seven days post-transplant. By undergoing this procedure, this patient allowed NYU Langone Health to make an incredible leap forward in xenotransplantation. This contribution to medicine cannot be overstated. NYU Langone Health still believes this important innovation sets the stage for sanctioned studies as early as next year. Nearly 104,000 people are on the waiting list for a transplant, with approximately 89,000 of those waiting for a kidney. Nearly 808,000 people in the United States have end-stage kidney disease, but only about 27,000 were able to receive a transplant last year.



Sustainability



At NYU Langone Health, caring for patients and communities extends to its care for the environment. Climate change is a global health issue which affects the livelihood of patients, communities, and staff. Flooding, wildfires, heat waves, and other climate-related hazards are becoming more intense, longer, and more frequent due to climate change. These hazards all carry significant health and economic impacts.

NYU Langone Health's work to significantly reduce its greenhouse gases will not only reduce the demand of natural resources through efficient operations and cleaner energy, but also build and support healthy and equitable communities. As NYU Langone Health leads initiatives to reduce direct greenhouse gas emissions from its facilities, it is equally as important for NYU Langone Health to leverage its voice and size to advocate for decarbonization throughout the healthcare value chain.



Reduce Our Impact

- Reduce environmental footprint
- Reduce waste
- Reduce embedded carbon in our supply chain
- Responsibly manage resources and technology
- Increase efficiency



Increase Resiliency

- Remain prepared to provide critical care, manage emergencies and meet future hazards
- Mitigate long-term risk of our facilities
- Build better for the future
- Reduce the vulnerability of our supply chain



Promote Health

- Design healthy interior spaces, and building features
- Conduct relevant research
- Ensure access to local, sustainable foods
- Support community benefits
- Promote active lifestyles through building design



Advocate

- Provide sustainability and climate resiliency leadership as an anchor institution
- Join local, state, and federal action
- Support greening of the energy grid
- Communicate relevant research
- Educate patients and the public about health risks driven by climate change

Energy Management & Greenhouse Gas Emission Reduction

NYU Langone Health's goals are continuously evolving to support New York City, New York State, and national climate all in service of the U.S. commitment to the Paris Climate Agreement. Reducing NYU Langone Health's greenhouse gas ("GHG") emissions offers a multitude of benefits such as improving the quality of air in the communities served, increasing resiliency and energy efficiency, supporting the local economy, and making the institution's buildings healthier and more comfortable for patients and staff.

NYU Langone Health is committed to becoming a carbon neutral health system by 2050 as signatories to the U.S. Department of Health & Human Services Health Sector Pledge. This goal affects every facet of NYU Langone Health, including design, construction, and operations. As an interim goal, NYU Langone Health has committed to a 50% reduction in Scope 1 & 2 emissions intensity (MT CO₂e/square foot) by 2030 from a 2021 baseline. By the end of 2023, NYU Langone Health reduced emissions intensity by 16%. As outlined by the pledge, the institution is also currently working on a comprehensive Scope 3 emissions analysis. The results of both inventories will inform long-term decarbonization strategies and goals.

NYU Langone Health has also been a longstanding participant in the NYC Carbon Challenge for its owned and leased facilities in New York City, totaling roughly 6 million square feet of real estate. It achieved its first carbon reduction goal of 30% in 2015, four years ahead of schedule. Building upon that success, the institution increased to a 50% carbon reduction goal by 2025. As of 2023, NYU Langone Health has reduced its carbon emissions by 40% under the Carbon Challenge framework.

The organization's sustainability program is built on a foundation of strong energy management practices and resilient energy infrastructure investments. The organization invests heavily in system-wide programs and scalable capital improvement projects such as LED retrofits, computer power management, state-of-the-art equipment like ultra-efficient chiller plants and on-site cogeneration, and deep retrofits of energy systems to increase resiliency and reliability. These high impact projects are paired with continuous monitoring and building automation to make sure that systems are functioning optimally.

In fiscal year 2023, NYU Langone Health achieved \$11.7 million in energy savings (not including cogeneration plant savings) with a single-year return on investment of 205%. Fiscal year 2024 energy savings is still being evaluated. Since 2008, the program has achieved over \$76 million in net program savings with a 112% return on investment. In addition, through Q4 2024, the institution earned a record \$2.8 million in annual revenue for the demand response program, which sheds electrical load during times of high grid stress and helps prevent local brownouts and blackouts. This program alone has led to \$13 million in revenue since its inception in 2014. The Energy & Sustainability team was also able to secure nearly \$0.8 million in grants and incentives in fiscal year 2023 to help fund its energy conservation projects.

Other Key Initiatives and Achievements

- In addition to pursuing high impact opportunities, the NYU Langone Health engineering and commissioning team standardizes efficient engineering designs across all renovation and new construction projects and ensures NYU Langone Health is delivering on its sustainability goals. These standards include a U.S. Green Building Council LEED Gold minimum certification, with five certified projects totaling 1.6 million square feet of space. In 2024, NYU Langone Health's ambulatory care center in Garden City, which is the institution's largest ambulatory site to date on Long Island with 260,000 square feet, achieved LEED Silver certification.
- NYU Langone Health has a thriving urban honeybee program to support the local ecosystem and pollination. It hosts three hives located in Manhattan, Brooklyn, and Long Island. The hives produce 220 pounds of hyperlocal honey that is harvested and is sold in gift shops and farmers markets.
- For Earth Month in April 2024, the Sustainability team partnered with Partnerships for Parks to host NYU Langone Health's first tree-planting event where over 30 employees and their families volunteered at a NYC public park in Manhattan.
- In 2024, NYUGSOM published its first Planetary Health Report Card, a metric-based tool to track, share, and identify institutional opportunities for climate integration in curriculum, research, advocacy, and infrastructure.

- In 2024, NYU Langone Health was named the U.S. and North American winner of the Schneider Sustainability Impact Awards and received 7 environmental excellence awards from Practice Green health and Health Care Without Harm, including Top 10 in Green Buildings. Over the past 10 years, NYU Langone Health has earned more than 85 energy and environmental excellence awards for its leading sustainability efforts.
- NYU Langone Health is an active member of the U.S. Health Care Climate Council, a network organization member of the National Academy of Medicine's Action Collaborative on Decarbonizing the U.S. Health Sector, and a participant in the International Health Care Climate Challenge and Healthier Hospitals Safer Chemicals Challenge, among other partnerships and commitments.
- In late 2023, NYU Langone Health donated over 400 clinical and lab coats to Material for the Arts, a creative reuse center run by the NYC Department of Cultural Affairs. This material is made available, free of charge, to NYC public schools, city agencies, and nonprofits with arts programming within NYC.
- NYU Langone Health partners with Summit Ridge Energy and serves as the sole off-taker of the utility credits generated by two 4 megawatts battery storage projects on Staten Island. Those projects, which were energized, commissioned and began generating power in fall 2023, help reduce both carbon emissions and grid demand during peak hours. This partnership has a way of demonstrating the role that large end users, such as hospitals, can play in the decarbonization of New York's energy grid and increasing the resiliency of the community.

Community Benefits

NYU Langone Health is rooted in its tripartite mission to care, teach, and discover. Fulfillment of these missions is not limited to the physical bounds of the NYU Langone Health campuses but extends into the surrounding neighborhoods to care for the communities in which NYU Langone Health operates. To that end, in fiscal year 2023, NYU Langone Health contributed approximately \$2.7 billion in Internal Revenue Service ("IRS") defined community benefits to fund charity and underfunded care, physician training, research support, and other community health investments. The impact of NYU Langone Health's fiscal year 2024 investment in the community is still being evaluated.

NYU Langone Health's total community benefit contribution of \$2.7 billion equates to more than 22% of the institution's total expenditures for the fiscal year ended August 31, 2023. Over 74% of NYU Langone Health's total community benefit contribution reflects the cost of providing charity and underfunded care.

\$2 billion

Charity & Underfunded Care

Charity: **\$88 million**

Governmental payors: **\$1.8 billion**

Other unsubsidized care: **\$64 million**

\$662 million

Physician Training and Research

Education and Training: **\$298 million**

Medical Research Funding: **\$364 million**

\$87 million

Community Health Contributions

Community Health Improvements: **\$36 million**

Cash in Kind: **\$50 million**

Environmental Improvements & Other

Community Support : **\$1 million**

**Total
Community
Benefit
\$2.7 billion**

Community Investments in Brooklyn and Queens

In addition to assisting patients by providing financial support, NYU Langone Health aims to promote equity in health outcomes and build an inclusive culture of medicine by aiding vulnerable populations.

In April 2024, NYU Langone Radiology – Fort Hamilton opened in Southwest Brooklyn providing a location for breast imaging, breast biopsies, and bone density testing. This location provides a patient-centered space for critical preventative and diagnostic services as part of NYU Langone Health's commitment to the Brooklyn community. The physicians and staff at NYU Langone Radiology – Fort Hamilton work collaboratively with the Perlmutter Cancer Center locations in Brooklyn to ensure patients receive timely care and treatment for breast cancer and other diagnoses.

NYU Langone Brooklyn continues to expand programs that are responsive to the needs of the Brooklyn community. In November 2023, NYU Langone Brooklyn received approval from NYS DOH to begin an adult cardiac surgery program. After significant operational planning, this program will go-live in the second quarter of fiscal year 2025 in full collaboration with the cardiac surgery programs in Manhattan and Long Island under the umbrella of NYU Langone Health. The goal of this program is to provide the highest-quality cardiac surgery services close to where patients live, therefore reducing the travel burden on patients. In addition, with the implementation of cardiac surgery, NYU Langone Brooklyn will expand electrophysiology services to meet the needs of patients with cardiac rhythm disorders.

In Sunset Park, Brooklyn and other neighborhoods served by NYU Langone Brooklyn, care for the elderly is a growing concern as the population ages. Seniors make up approximately 40% of the patients admitted to NYU Langone Brooklyn's emergency department and falls account for about 80% of such patients' injuries. NYU Langone Hospitals' geriatrics department, which ranked No. 2 in the 2024-25 *U.S. News & World Report* "Best Geriatrics Hospitals" survey, is exploring ways to reduce the traumatic impact of falls. By designing a clinical protocol for seniors with fall-related injuries who come to the emergency department (the "Geriatric Trauma Program"), NYU Langone Brooklyn's Level I Trauma Center is working to improve the level of care that seniors receive.

The scope of services provided to the Brooklyn community has significantly expanded since NYU Langone Hospitals' 2016 merger with Lutheran Medical Center. Such services include electrophysiologic diagnostic and interventional treatment for dysrhythmias, gynecologic surgical oncology, advanced endovascular neurosurgical care, advanced percutaneous interventions for coronary artery disease, specialized care for neurologic critical care, and endocrine specialty care. Robotic surgery was introduced at the time of the merger, and volume has increased every year since, with surgeons performing 1,181

robotic procedures at NYU Langone Brooklyn in fiscal year 2024. These advanced surgical techniques provide for significantly shorter recovery times compared to conventional approaches. NYU Langone Brooklyn not only provides clinical care to the community, but also strives to improve the health of the community through addressing social determinants of health and closing health equity gaps. Examples include expanding its internal medicine residency training program to incorporate a curriculum that addresses the social determinants of health, creating a community-based psychiatry residency training program to focus on training future psychiatrists to care for underserved and immigrant communities, and significantly expanding efforts to engage patients from diverse backgrounds in research that focuses on improving health outcomes. Twenty-two new research studies have opened in the past year with over half of participants speaking a primary language other than English.

In March 2023, the Latino Liver Program was launched, which aims to help reduce health disparities within the region's large and growing Latino population by offering linguistically and culturally conscious liver care while actively seeking referrals from other providers. Among people of Hispanic and Latino ethnicity in the United States, the rate of chronic liver disease is roughly two-fold higher than it is for the non-Hispanic, White population. Similar disparities exist for rates of liver cancer diagnoses and deaths. Even so, Hispanic and Latino people are referred to liver transplant centers, evaluated, and added to liver transplant waitlists at significantly lower rates than their non-Hispanic White counterparts. Modeled on pre-existing Asian liver health programs at NYU Langone Health and elsewhere, the Latino Liver Program has grown to include about a dozen providers who work collaboratively to care for patients with liver cancer or other acute or chronic diseases or help them navigate the long and complicated transplantation process. One major goal is to address why Latino people, who make up the second largest demographic in New York City, are not represented in similar numbers in liver evaluations and transplant lists. Beyond a lack of access to primary and specialty care, in many cases, patients may be referred to medical centers where language and cultural barriers interfere with their continuum of care. To help overcome those hurdles, the program is allocating significant resources beyond Manhattan and reaching out to gastroenterologists and other providers in the region to create more awareness and increase referrals.

NYU Langone Hospitals continues to work to innovate care delivery strategies that meet patient needs by developing programs that include partnering with community health workers and faith-based groups to treat high blood pressure in South Asian and Black communities, bringing behavioral healthcare to underserved populations in Brooklyn, and reopening the free, medical student-run community health clinic on Long Island. Additionally, the

FHC's School-Based Dental Health Program offers children access to dental care in 59 public schools citywide. Annually, the program provides free comprehensive dentistry and oral health education for approximately 25,000 students. The program, which recently expanded into Queens with four new sites in the Rockaways and Corona Park, meets the needs of children seen through the FHC's school-based clinics.



Photo: Rene Perez Photography

Comprehensive, Five-Story Multispecialty Care Center Opens in Cobble Hill

In April 2023, NYU Langone Health opened the comprehensive Joseph S. and Diane H. Steinberg Ambulatory Care Center, a facility that offers an off-campus, 24-hour Emergency Department, as well as cancer care, outpatient surgeries, and physician practices - across 165,000 square feet and five floors - in Brooklyn's Cobble Hill neighborhood.

The physician practice includes 19 medical and surgical specialties throughout the new building, which also offers an infusion center and radiology and imaging services at the site of the former Long Island College Hospital.

The FHC's Community Medicine Program provides healthcare to adults at 10 residential shelters throughout New York City for people experiencing housing issues, transitional living, or homelessness. Care teams include a registered nurse, physician or nurse practitioner, psychiatric specialist, social worker, and care manager. The Nurse in Shelter program was created with the Department of Homeless Services to advance healthcare accessibility for the city's homeless population by conducting screenings in shelters without clinics and connecting patients to healthcare services.

In April 2023, NYU Langone Health opened the Joseph S. and Diane H. Steinberg Ambulatory Care Center, which builds upon the existing standalone emergency department by adding access to multiple specialties, including cancer care, pediatric care, outpatient surgeries, and other physician practices in Brooklyn's Cobble Hill neighborhood. Since opening, the number of patients treated each day in the emergency department continues to rise, with the total volume exceeding 48,000 visits in the twelve months ended August 31, 2024. In addition, the number of ambulance arrivals has increased, with over 9,500 arrivals in the twelve months ended August 31, 2024. As a consequence of the rise in the emergency department volume, patients observed and admitted to NYU Langone Brooklyn or NYU Langone Hospitals' Manhattan campus totaled more than 4,400 admissions for the twelve months ended August 31, 2024. With the ability to receive critically ill patients, the critical care transfers from NYU Langone-staffed and local 911 ambulances account for 88% of emergency department arrivals. This has allowed for more immediate care for the sickest patients, including those from Red Hook, Brooklyn. The Steinberg Ambulatory Care Center has two, fully operationalized operating rooms with a total case volume of 7,575 procedures for the twelve months ended August 31, 2024. These procedures have been successfully performed by 56 different surgeons across 15 specialties, including robotic surgery.

Community Investments in Suffolk County

Since the affiliation with LICH in March 2022, NYU Langone Health has dedicated substantial time and resources towards improving operations at LICH. In order to build a reliable network of high-quality providers and broaden the range of services available to the surrounding community, NYU Langone Health has transitioned LICH physicians into the FGP, recruited over 125 FGP doctors of varying specialties, and opened multiple ambulatory practices, including a new infusion center that sees over 1,100 elective visits each week. NYU Langone Health has also brought its best operational practices to LICH, designed to improve survival rates, reduce complications, and reduce length of

stay. NYU Langone Health has dedicated these resources and practices with the objective of aligning the quality of care provided at LICH with the patient-centered, quality care provided at all NYU Langone Health locations. NYU Langone Health has also integrated LICH patient data into Epic, and transitioned LICH's general ledger, supply chain management, and human capital management systems into NYU Langone Health's PeopleSoft environment.

LICH's CON application to construct an ambulatory surgery center in Patchogue was approved by the NYS DOH

and construction is underway. The new ambulatory surgery center will include six operating rooms and four procedure rooms to meet current and future surgical volume.

In fiscal year 2023, South Shore Neurologic Associates joined NYU Langone Health's ambulatory care network, bringing an additional 20,000 patients and 200 employees into NYU Langone Health. Locations in Patchogue, Riverhead, and Islip offer a wide range of neurologic care, including diagnostic testing, physical therapy, and pain management, to meet the needs of a diverse patient population in Suffolk County.

In February 2024, Long Island Anesthesia Physicians joined the NYU Langone Health network. Currently the exclusive anesthesia provider at LICH, this partnership meets the increased need for anesthesiologists and nurse anesthetists who can support NYU Langone Health's growing patient volume, procedures, and surgeries.

With the addition of Long Island Anesthesia Physicians, NYU Langone Health now relies on a team of over 40 anesthesiologists, 100 certified registered nurse anesthetists, and two nurse practitioners to meet the growing demands of patient care while striving to improve efficiency, quality, and consistency. This partnership aligns with NYU Langone Health's strategic goals of expanding services, including the development of an ambulatory surgery center in Patchogue and other future growth initiatives in both Suffolk and Nassau counties.

In February 2024, LICH hosted a full-scale Mass Casualty Incident ("MCI") exercise in partnership with South Country Ambulance Company and other Suffolk County businesses and municipal agencies. The MCI drill provided a learning opportunity to validate LICH's disaster plan and provided a no-fault environment to increase LICH's readiness to respond to and manage multiple victims from an

incident involving gunshot wound trauma. Exercise activities included testing real-time notifications, activating the MCI response protocols, mobilizing departments to support the emergency department, triage, patient placement, patient registration and tracking via Epic Disaster Mode, decanting, and surgery prioritization.

LICH also works with local emergency medical service providers on the Suffolk County MCI Plan, and provides Narcan training, diabetes education programs, advanced Trauma Life Support Certification, and injury and fall prevention courses to municipal partners.

The statistics on the NYS DOH Opioid Dashboard report that for 2023, there were 21 opioid related overdose deaths per 100,000 residents in Suffolk County compared to 13 opioid related overdose deaths per 100,000 residents on average in New York State. There was also a surge in mental health issues and suicides, particularly among the youth population. LICH offers biweekly mental health education for family and friends of individuals struggling with mental illness as well as substance use disorders. LICH has six primary care centers recognized by the National Committee for Quality Assurance as a patient centered medical home, which is a patient centered approach to care, with the ability to provide assessments to patients experiencing behavioral health or substance abuse issues. LICH also provides medical assisted treatment services for substance abuse for those willing to accept treatment. Moreover, LICH's patient chemical dependency program is licensed under the New York State Office of Alcoholism and Substance Abuse Services. The program provides assessment, treatment, education, and linkage to other community services for patients 18 years and older.

Ambulatory Care Garden City

In November 2023, NYU Langone Health opened a new comprehensive ambulatory care hub located in Garden City. This project is an adaptive re-use of an old department store and comprises over 260,000 square feet over four floors to be used for multi-specialty patient care covering 32 clinical specialties. Enhancing the patient experience by bringing together over 30 physician practices previously located in multiple sites in and around Garden City and Mineola, this new facility also provides for substantial practice growth, including radiology services with a wide range of imaging modalities.



Charity and Underfunded Care

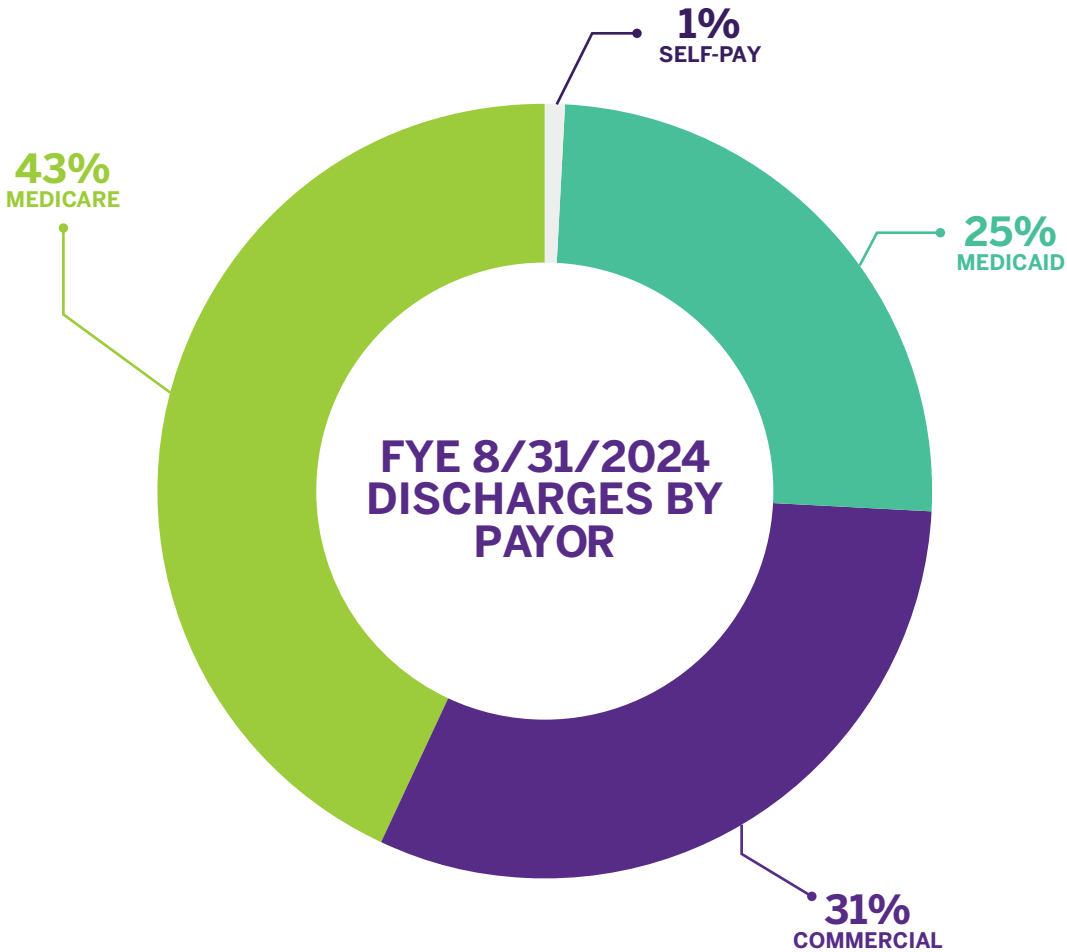
NYU Langone Health is committed to ensuring that its care is not limited to those who have insurance coverage or the means to pay for care.

NYU Langone Health recognizes that there are times when patients in need of care will have difficulty paying for the services provided. Accordingly, NYU Langone Health has implemented a discount policy and financial aid program that is consistent with the mission, values, and capacity of NYU Langone Health, while considering an individual's ability to contribute to their care. In fiscal year 2024, more than two-thirds of inpatients were enrolled in a government-sponsored insurance plan: 43% Medicare, 25% Medicaid, and 1% self-pay.

NYU Langone Health's charity care policy, in accordance with the NYS DOH's guidelines, ensures the provision of health care services to the community served while considering the ability of the patient to pay. The policy has sliding fee schedules for inpatient, ambulatory, and emergency services provided to the uninsured and under-insured patients that qualify. NYU Langone Health provides 100% discounts for eligible patients up to 600% of the Federal Poverty Level ("FPL") and lower discounts for eligible patients up to 800% of the FPL. Total charges associated with providing care to charity patients for the year ended August 31, 2024 was \$488.6 million. NYU Langone Health determines the cost of providing these services based on a ratio of cost to charges.

Further, New York State regulations provide for the distribution of funds from an indigent care pool, which is intended to partially offset the cost of uncompensated care and services provided to uninsured patients. NYU Langone Health paid \$84.8 million and \$77.7 million into the indigent care pool for the twelve months ended August 31, 2024 and August 31, 2023, respectively, but only received \$61.3 million and \$56.9 million in pool distributions for those periods, leaving an unreimbursed contribution to the pools of \$23.5 million and \$20.8 million.

In addition, 69% and 68% of NYU Langone Health's discharged patients during the twelve months ended August 31, 2024 and August 31, 2023, respectively, were uninsured or insured through government payors. NYU Langone Health incurs material costs in treating those patients and does so at a loss given the shortfall in both Medicare and Medicaid reimbursement. The table on the next page summarizes the estimated cost of the services provided, net reimbursement, and cost in excess of reimbursement for



**NYU Langone Health
Charity and Underfunded Care**

(unaudited)

(\$ in thousands)	August 31, 2024	August 31, 2023
Costs of services provided		
Charity Care	\$ 169,100	\$ 144,858
Governmental Payors	6,567,975	5,720,451
	<u>6,737,075</u>	<u>5,865,309</u>
Net reimbursement (included in net patient service revenue)		
Charity Care	61,262	56,964
Governmental Payors	4,444,795	3,910,722
	<u>4,506,057</u>	<u>3,967,686</u>
Costs of services in excess of reimbursement		
Charity Care	107,838	87,894
Governmental Payors	2,123,180	1,809,729
	<u>\$ 2,231,018</u>	<u>\$ 1,897,623</u>
Gross charges of charity care:	488,554	407,466



Investments in Research and Education

In addition to the clinical support NYU Langone Hospitals provides to the FGP, NYU Langone Hospitals invests significantly in the research and education missions of the NYU Grossman Schools of Medicine. Through August 31, 2024 and August 31, 2023, NYU Langone Hospitals provided \$231.6 million and \$178.4 million, respectively, of funding to support research and education operations at the NYU Grossman Schools of Medicine. The goal of this investment is to make new discoveries and generate knowledge to further health outcomes.

In May 2021, NYUGSOM was awarded a NIH grant to study the long-term effects of the COVID-19 infection. Selected as the Clinical Science Core (“CSC”) for NIH’s \$1.15 billion Researching COVID to Enhance Recovery (“RECOVER”) initiative, NYU Langone Health leads and integrates the research activities of 35 research hubs and more than 100 sub-sites around the country. Since the launch of the study, NYUGSOM has been awarded \$489.8 million, which is subcontracted from NYUGSOM to the research hubs and their sub-sites, and \$51.6 million in grant funding for CSC activities. In September 2024, NYUGSOM was awarded an additional \$109.5 million to support initiatives at the adult and pediatric sites through the award’s current end date of May 2025. Both the revenue and expense of the CSC, including for activities subcontracted to research hubs, pass through the Statement of Operations of NYU Langone Health, but are for substantially offsetting amounts and do not have a material effect on operating

margin.

NYU Langone Health believes the best way to prepare physicians for any career in medicine is to provide care for culturally and socioeconomically diverse patient populations in a variety of clinical settings. NYU Langone Hospitals operates a graduate medical education program in more than 150 medical residency and fellowship training programs, employing more than 1,300 residents and fellows. The programs offer hands-on clinical training to medical degree graduates under the supervision of the faculty of the NYU Grossman Schools of Medicine where residents encounter and treat a broad range of patients and diseases.

As previously noted, both NYU Grossman Schools of Medicine offer full-tuition scholarships to all students enrolled in the MD degree program. These scholarships address the rising costs of medical education, help to attract the best and brightest students to careers in medicine, and make attending medical school available to a broader range of applicants. These scholarships supported over \$26.9 million and \$26.1 million, respectively, of financial aid in fiscal year 2024 and 2023. While these scholarships were funded in part by NYU Grossman Schools of Medicine endowments, NYU Langone Hospitals also provided \$26.5 million and \$25.5 million in support to fund teaching activities through fiscal year 2024 and 2023, respectively.



Obligated Group Financial Highlights

Days Cash on Hand Calculation

The table below sets forth the NYU Langone Hospitals Obligated Group's and the LICH Credit Group's days' cash on hand calculated pursuant to their respective Master Indenture definitions:

	NYU Langone Hospitals Obligated Group		LICH Credit Group	
	(unaudited and annualized)		(unaudited and annualized)	
(\$ in thousands)	August 31, 2024	August 31, 2023	August 31, 2024	August 31, 2023
Cash and cash equivalents	\$ 1,547,908	\$ 318,968	\$ 18,977	\$ 24,566
Investments	1,886,068	3,012,539	54,002	23,628
Assets limited as to use	6,720	5,334	-	-
Less: Restricted funds	(178,727)	(108,971)	(1,000)	(1,000)
Total cash per Master Indenture	\$ 3,261,969	\$ 3,227,870	\$ 71,979	\$ 47,194
Operating expenses	8,714,966	7,579,098	387,773	327,420
Less: Depreciation and amortization	(468,905)	(443,233)	(25,067)	(19,632)
Add: Other adjustments per Master Indenture	38,696	50,036	2,645	-
Total modified operating expenses	\$ 8,284,757	\$ 7,185,901	\$ 365,351	\$ 307,788
Days Cash on Hand	144	164	72	56

Days cash on hand for the NYU Langone Hospitals Obligated Group decreased to 144 days as of August 31, 2024, compared to 164 days as of August 31, 2023. The decrease in days cash on hand was primarily driven by capital expenditures to support strategic capital investments and support NYUGSOM for building and other capital acquisitions, offset by cash received from the 340B settlement and cash generated from operations.

Days cash on hand for the LICH Credit Group increased to 72 days as of August 31, 2024, compared to 56 days as of August 31, 2023. The increase in cash and investments is a result of \$48.5 million in cash generated from operations, \$9.4 million generated from asset sales and divestitures of minority-interest investments and \$5.9 million of investment gains, partially offset by expenditures of \$32.1 million to support LICH's capital investment and the repayment of \$6.9 million in intercompany payables.

Debt Service Coverage Ratio

The table below sets forth the NYU Langone Hospitals Obligated Group's debt service coverage ratio. The debt service coverage ratio is not a covenant for the LICH Obligated Group's continuing disclosure requirements.

	NYU Langone Hospitals Obligated Group	
	(unaudited)	(unaudited)
	August 31, 2024	August 31, 2023
Debt Service Coverage Ratio	6.85	8.31

The decrease in the debt service ratio from the prior comparative period is primarily due to a reduction in one-time items included in income available for debt service. For the twelve months ended August 31, 2023, the excess of revenue over expenses includes the settlement payment of \$508.0 million from Turner Construction Company for unrecovered losses suffered from Superstorm Sandy. There are no similarly material one-time items recorded in the twelve months ended August 31, 2024.

Capitalization

The table below sets forth debt to capitalization calculated pursuant to the NYU Langone Hospitals Master Indenture definition:

NYU Langone Hospitals Obligated Group			
(unaudited)			
(\$ in thousands)	August 31, 2024		August 31, 2023
Short-term debt	\$	38,696	\$ 50,036
Long-term debt		3,064,743	3,113,377
Total debt	\$	3,103,439	\$ 3,163,413
Net assets without donor restrictions		6,084,023	5,596,737
Total Capitalization	\$	9,187,462	\$ 8,760,150
Debt-to-Capitalization		33.8%	36.1%

Utilization and Payor Mix Statistics

Utilization Statistics						
For the twelve months ended August 31, 2024						
	Manhattan	Brooklyn	Long Island	NYU Langone Hospitals Obligated Group	LICH Obligated Group	NYU Langone Health
Total Inpatient Discharges	55,603	29,993	40,947	126,543	9,842	136,385
Less: Routine Newborn	4,139	3,939	4,157	12,235	-	12,235
Total Discharges, net	51,464	26,054	36,790	114,308	9,842	124,150
Total Patient Days	250,183	116,306	143,108	509,597	42,338	551,935
Less: Routine Newborn	5,628	4,815	5,047	15,490	-	15,490
Total Patient Days, net	244,555	111,491	138,061	494,107	42,338	536,445
Average Length of Stay	4.8	4.3	3.8	4.3	4.3	4.3
Total Case Mix Index	2.15	1.59	1.75	1.89	1.74	1.88
Average census	668	305	377	1,350	116	1,466
Percent of occupancy	87%	91%	90%	89%	82%	88%
ER Visits (treat & release)	128,900	78,234	56,997	264,131	37,737	301,868
Cancer Center visits	386,711	-	-	386,711	-	386,711
Home Healthcare	-	-	76,250	76,250	-	76,250
Dialysis	-	-	44,239	44,239	19,539	63,778
Ambulatory Surgery	96,783	14,420	31,056	142,259	6,131	148,390
Clinics & other outpatient services	672,588	82,543	126,206	881,337	30,906	912,243
Total Outpatient Visits	1,284,982	175,197	334,748	1,794,927	94,313	1,889,240

For the twelve months ended August 31, 2023						
	Manhattan	Brooklyn	Long Island	NYU Langone Hospitals Obligated Group	LICH Obligated Group	NYU Langone Health
Total Inpatient Discharges	52,457	28,491	39,325	120,273	8,222	128,495
Less: Routine Newborn	4,224	3,623	4,072	11,919	-	11,919
Total Discharges, net	48,233	24,868	35,253	108,354	8,222	116,576
Total Patient Days	276,183	123,783	162,527	562,493	43,962	606,455
Less: Routine Newborn	8,520	6,858	6,872	22,250	-	22,250
Total Patient Days, net	267,663	116,925	155,655	540,243	43,962	584,205
Average Length of Stay	5.5	4.7	4.4	5.0	5.3	5.0
Total Case Mix Index	2.18	1.60	1.76	1.91	1.71	1.89
Average census	733	320	426	1,479	120	1,599
Percent of occupancy	89%	91%	93%	90%	85%	86%
ER Visits (treat & release)	113,686	77,453	54,986	246,125	36,350	282,475
Cancer Center visits	376,548	-	-	376,548	-	376,548
Home Healthcare	-	-	87,784	87,784	-	87,784
Dialysis	-	-	45,575	45,575	23,624	69,199
Ambulatory Surgery	85,766	13,645	32,340	131,749	4,614	136,363
Clinics & other outpatient services	603,069	77,534	112,578	793,181	32,234	825,415
Total Outpatient Visits	1,179,069	168,630	333,263	1,680,962	96,822	1,777,784

Payor Mix by Discharges												
For the twelve months ended August 31, 2024												
	Manhattan		Brooklyn		Long Island		NYU Langone Hospitals Obligated Group		LICH Obligated Group		NYU Langone Health	
Medicare FFS & HMO	20,678	40%	10,566	40%	16,377	45%	47,621	42%	6,063	62%	53,684	44%
Medicaid FFS & HMO	11,269	22%	10,617	41%	7,668	21%	29,554	26%	1,962	20%	31,516	25%
Commercial & Other	19,028	37%	4,440	17%	12,307	33%	35,775	31%	1,576	16%	37,351	30%
Self Pay	489	1%	431	2%	438	1%	1,358	1%	241	2%	1,599	1%
Total	51,464	100%	26,054	100%	36,790	100%	114,308	100%	9,842	100%	124,150	100%

For the twelve months ended August 31, 2023												
	Manhattan		Brooklyn		Long Island		NYU Langone Hospitals Obligated Group		LICH Obligated Group		NYU Langone Health	
Medicare FFS & HMO	19,220	40%	9,811	39%	15,341	43%	44,372	40%	5,141	62%	49,513	42%
Medicaid FFS & HMO	10,710	22%	10,495	43%	7,652	22%	28,857	27%	1,731	21%	30,588	26%
Commercial & Other	17,956	37%	4,189	17%	12,207	35%	34,352	32%	1,276	16%	35,628	31%
Self Pay	347	1%	373	1%	53	0%	773	1%	74	1%	847	1%
Total	48,233	100%	24,868	100%	35,253	100%	108,354	100%	8,222	100%	116,576	100%

Financial Statements - Combining Statements of Operations as of August 31, 2024

NYU Langone Health Combining Statements of Operations Twelve Months Ended August 31, 2024	NYU Langone Hospitals Obligated Group	CCC550	Eliminations	Consolidated NYU Langone Hospitals	LICH Obligated Group	NYU Langone Health System and Other Entities	NYU Langone Health System	NYU Grossman Schools of Medicine	Eliminations	Total NYU Langone Health
(\$ in thousands)										
Operating revenue										
Net patient service revenue	\$ 7,993,231	\$ -	\$ -	\$ 7,993,231	\$ 360,233	\$ -	\$ 8,353,464	\$ 3,721,879	\$ (1,015,479)	\$ 11,059,864
Pharmacy revenue	873,299	-	-	873,299	-	-	873,299	-	(2,390)	870,909
Grants and sponsored programs	3,394	-	-	3,394	936	-	4,330	783,853	-	788,183
Insurance premiums earned	-	191,043	(59,661)	131,382	-	-	131,382	-	-	131,382
Contributions	11,679	-	-	11,679	133	404	12,216	35,580	-	47,796
Endowment distribution and return on short-term investments	148,439	113,267	-	261,706	1,345	1,099	264,150	51,364	-	315,514
Other revenue	380,797	-	(162,799)	217,998	8,295	21,434	247,727	1,312,402	(698,520)	861,609
Net assets released from restrictions for operating purposes	54,081	-	-	54,081	-	-	54,081	44,170	-	98,251
Total operating revenue	9,464,920	304,310	(222,460)	9,546,770	370,942	22,937	9,940,649	5,949,248	(1,716,389)	14,173,508
Operating expenses										
Salaries and wages	2,686,429	-	-	2,686,429	131,116	585	2,818,130	3,621,237	-	6,439,367
Employee benefits	885,707	-	-	885,707	49,378	139	935,224	899,189	(43,892)	1,790,521
Supplies and other	4,552,232	141,511	(59,661)	4,634,082	178,361	20,340	4,832,783	1,306,587	(1,672,497)	4,466,873
Depreciation and amortization	468,905	-	-	468,905	25,067	194	494,166	329,509	-	823,675
Interest	121,693	-	-	121,693	3,851	-	125,544	96,092	-	221,636
Total operating expenses	8,714,966	141,511	(59,661)	8,796,816	387,773	21,258	9,205,847	6,252,614	(1,716,389)	13,742,072
Gain (loss) from operations	749,954	162,799	(162,799)	749,954	(16,831)	1,679	734,802	(303,366)	-	431,436
Other items										
Other component of pension and postretirement costs	20,381	-	-	20,381	-	-	20,381	4,003	-	24,384
Investment return, net	172,251	-	-	172,251	-	3,439	175,690	32,824	-	208,514
Mission based payment to NYUGSOM	(50,000)	-	-	(50,000)	-	-	(50,000)	50,000	-	-
Other	171,758	-	-	171,758	-	-	171,758	(195)	-	171,563
Excess (deficiency) of revenue over expenses	1,064,344	162,799	(162,799)	1,064,344	(16,831)	5,118	1,052,631	(216,734)	-	835,897
Other changes in net assets without donor restrictions										
Changes in pension and postretirement obligations	(14,821)	-	-	(14,821)	-	-	(14,821)	27,992	-	13,171
Equity transfer (to) from related organizations, net	(563,966)	-	-	(563,966)	-	-	(563,966)	563,966	-	-
Net assets released from restrictions for capital purposes	6,249	-	-	6,249	-	-	6,249	32,477	-	38,726
Other	(4,520)	-	-	(4,520)	1,340	-	(3,180)	5,837	-	2,656
Net increase (decrease) in net assets without donor restrictions	\$ 487,286	\$ 162,799	\$ (162,799)	\$ 487,286	\$ (15,491)	\$ 5,118	\$ 476,913	\$ 413,538	\$ -	\$ 890,451

Unaudited

Combining Statements of Operations as of August 31, 2023

NYU Langone Health Combining Statements of Operations Twelve Months Ended August 31, 2023	NYU Langone Hospitals Obligated Group	CCC550	Eliminations	Consolidated NYU Langone Hospitals	LICH Obligated Group	NYU Langone Health System and Other Entities	NYU Langone Health System	NYU Grossman Schools of Medicine	Eliminations	Total NYU Langone Health
(\$ in thousands)										
Operating revenue										
Net patient service revenue	\$ 7,123,520	\$ -	\$ -	\$ 7,123,520	\$ 265,040	\$ -	\$ 7,388,560	\$ 3,284,254	\$ (893,252)	\$ 9,779,562
Pharmacy revenue	686,810	-	-	686,810	-	-	686,810	-	-	686,810
Grants and sponsored programs	2,865	-	-	2,865	557	-	3,422	753,967	-	757,389
Insurance premiums earned	-	177,490	(59,706)	117,784	-	-	117,784	-	-	117,784
Contributions	8,953	-	-	8,953	147	544	9,644	24,119	-	33,763
Endowment distribution and return on short-term investments	113,447	34,218	-	147,665	949	826	149,440	49,870	-	199,310
Other revenue	304,768	-	(79,640)	225,128	6,401	15,094	246,623	1,042,710	(514,361)	774,972
Net assets released from restrictions for operating purposes	24,990	-	-	24,990	109	41	25,140	40,194	-	65,334
Total operating revenue	8,265,353	211,708	(139,346)	8,337,715	273,203	16,505	8,627,423	5,195,114	(1,407,613)	12,414,924
Operating expenses										
Salaries and wages	2,384,787	-	-	2,384,787	115,802	558	2,501,147	3,167,279	-	5,668,426
Employee benefits	766,995	-	-	766,995	41,456	179	808,630	718,657	(43,329)	1,483,958
Supplies and other	3,862,387	132,068	(59,706)	3,934,749	139,826	22,137	4,096,712	1,224,549	(1,364,284)	3,956,977
Depreciation and amortization	443,233	-	-	443,233	19,632	-	462,865	264,522	-	727,387
Interest	121,696	-	-	121,696	3,850	-	125,546	93,841	-	219,387
Total operating expenses	7,579,098	132,068	(59,706)	7,651,460	320,566	22,874	7,994,900	5,468,848	(1,407,613)	12,056,135
Gain (loss) from operations	686,255	79,640	(79,640)	686,255	(47,363)	(6,369)	632,523	(273,734)	-	358,789
Other items										
Other component of pension and postretirement costs	30,608	-	-	30,608	-	-	30,608	(2,429)	-	28,179
Investment return, net	103,038	-	-	103,038	-	900	103,938	13,957	-	117,895
Mission based payment to NYUGSOM	(50,000)	-	-	(50,000)	-	-	(50,000)	50,000	-	-
Other	500,926	-	-	500,926	-	-	500,926	6,789	-	507,715
Excess (deficiency) of revenue over expenses	1,270,827	79,640	(79,640)	1,270,827	(47,363)	(5,469)	1,217,995	(205,417)	-	1,012,578
Other changes in net assets without donor restrictions										
Changes in pension and postretirement obligations	157,138	-	-	157,138	-	-	157,138	(1,411)	-	155,727
Equity transfer (to) from related organizations, net	(283,449)	-	-	(283,449)	-	-	(283,449)	283,449	-	-
Net assets released from restrictions for capital purposes	58,331	-	-	58,331	-	-	58,331	45,238	-	103,569
Other	362	-	-	362	1,190	-	1,552	3,755	-	5,307
Net increase (decrease) in net assets without donor restrictions	\$ 1,203,209	\$ 79,640	\$ (79,640)	\$ 1,203,209	\$ (46,173)	\$ (5,469)	\$ 1,151,567	\$ 125,614	\$ -	\$ 1,277,181

The amounts for FY2023 are based on the audited financial statements but are labeled as unaudited because independent accountants did not perform procedures on the summarized presentation.

Combining Balance Sheets as of August 31, 2024

NYU Langone Health Combining Balance Sheets As of August 31, 2024	NYU Langone Hospitals Obligated Group	CCC550	Eliminations	Consolidated NYU Langone Hospitals	LICH Obligated Group	NYU Langone Health System and Other Entities	Eliminations	Consolidated NYU Langone Health System	NYU Grossman Schools of Medicine	Eliminations	Total NYU Langone Health
(\$ in thousands)											
Assets											
Current assets											
Cash and cash equivalents	\$ 1,547,908	\$ -	\$ -	\$ 1,547,908	\$ 15,388	\$ 10,017	\$ -	\$ 1,573,313	\$ 48,066	\$ -	\$ 1,621,379
Short-term investments	1,794,678	-	-	1,794,678	20,301	33,701	-	1,848,680	-	-	1,848,680
Assets limited as to use	8,550	-	-	8,550	-	-	-	8,550	24,467	-	33,017
Patient accounts receivable, net	1,285,479	-	-	1,285,479	55,800	-	-	1,341,279	191,104	-	1,532,383
Contribution receivable, current	74,152	-	-	74,152	-	-	-	74,152	52,010	-	126,162
Insurance receivables - billed	-	75,788	(69,531)	6,257	-	-	-	6,257	-	-	6,257
Due from related organizations, net	99,135	-	-	99,135	3,711	21,855	(56,618)	68,083	53,842	(121,925)	-
Inventories	206,146	-	-	206,146	-	-	-	206,146	415	-	206,561
Other current assets	248,193	7,565	-	255,758	30,431	48,054	-	334,243	195,461	-	529,704
Total current assets	5,264,241	83,353	(69,531)	5,278,063	125,631	113,627	(56,618)	5,460,703	565,365	(121,925)	5,904,143
Long-term investments	91,390	-	-	91,390	-	-	-	91,390	1,487,017	-	1,578,407
Assets limited as to use, less current portion	111,221	1,281,349	-	1,392,570	10,136	14,401	-	1,417,107	463,679	-	1,880,786
Contributions receivable, less current portion	235,536	-	-	235,536	-	-	-	235,536	74,597	-	310,133
Professional liabilities insurance recovery receivable	48,119	-	-	48,119	-	-	-	48,119	-	-	48,119
Operating lease right-of-use assets	485,772	-	-	485,772	1,053	-	-	486,825	1,085,509	-	1,572,334
Other assets	497,242	-	(446,012)	51,230	40,571	113,047	(130,986)	73,862	34,357	-	108,219
Due from related organizations, less current portion	81,178	-	-	81,178	-	22,557	(103,735)	-	2,277	(2,277)	-
Property, plant and equipment, net	5,311,588	-	-	5,311,588	220,756	-	-	5,532,344	4,185,782	-	9,718,126
Total assets	\$ 12,126,287	\$ 1,364,702	\$ (515,543)	\$ 12,975,446	\$ 398,147	\$ 263,632	\$ (291,339)	\$ 13,345,886	\$ 7,898,583	\$ (124,202)	\$ 21,120,267

Unaudited

(Continued on next page)

Combining Balance Sheets as of August 31, 2024 (continued)

NYU Langone Health Combining Balance Sheets As of August 31, 2024	NYU Langone Hospitals Obligated Group	CCC550	Eliminations	Consolidated NYU Langone Hospitals	LICH Obligated Group	NYU Langone Health System and Other Entities	Eliminations	Consolidated NYU Langone Health System	NYU Grossman Schools of Medicine	Eliminations	Total NYU Langone Health
(\$ in thousands)											
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt and finance lease obligations	\$ 38,696	\$ -	\$ -	\$ 38,696	\$ 2,645	\$ -	\$ -	\$ 41,341	\$ 80,261	\$ -	\$ 121,602
Current portion of operating lease obligations	38,021	-	-	38,021	396	-	-	38,417	107,344	-	145,761
Accounts payable and accrued expenses	541,172	434	-	541,606	40,172	54,879	-	636,657	334,282	-	970,939
Accrued salaries and related liabilities	374,455	-	-	374,455	26,338	27,456	-	428,249	414,171	-	842,420
Deferred revenue	15,855	634	-	16,489	-	288	-	16,777	54,900	-	71,677
Due to related organizations	37,264	-	-	37,264	63,257	31,306	(56,618)	75,209	87,975	(121,925)	41,259
Other current liabilities	101,454	-	(42,824)	58,630	11,106	120	-	69,856	14,476	-	84,332
Total current liabilities	1,146,917	1,068	(42,824)	1,105,161	143,914	114,049	(56,618)	1,306,506	1,093,409	(121,925)	2,277,990
Long-term debt and finance lease obligations, less current portion	3,064,743	-	-	3,064,743	90,535	-	-	3,155,278	2,252,645	-	5,407,923
Long-term operating lease obligations, less current portion	505,994	-	-	505,994	722	-	-	506,716	1,091,076	-	1,597,792
Professional liabilities	85,519	917,622	-	1,003,141	29,460	-	-	1,032,601	-	-	1,032,601
Accrued pension and postretirement liabilities	285,258	-	-	285,258	-	-	-	285,258	72,444	-	357,702
Due to related organizations, less current portion	2,277	-	-	2,277	103,735	-	(103,735)	2,277	76,582	(2,277)	76,582
Other liabilities	426,005	-	(26,707)	399,298	19,594	18,142	-	437,034	519,271	-	956,305
Total liabilities	5,516,713	918,690	(69,531)	6,365,872	387,960	132,191	(160,353)	6,725,670	5,105,427	(124,202)	11,706,895
Net assets											
Net assets without donor restrictions	6,084,023	446,012	(446,012)	6,084,023	5,843	126,830	(126,521)	6,090,175	1,367,942	-	7,458,117
Net assets with donor restrictions	525,551	-	-	525,551	4,344	4,611	(4,465)	530,041	1,425,214	-	1,955,255
Total net assets	6,609,574	446,012	(446,012)	6,609,574	10,187	131,441	(130,986)	6,620,216	2,793,156	-	9,413,372
Total liabilities and net assets	\$ 12,126,287	\$ 1,364,702	\$ (515,543)	\$ 12,975,446	\$ 398,147	\$ 263,632	\$ (291,339)	\$ 13,345,886	\$ 7,898,583	\$ (124,202)	\$ 21,120,267

Unaudited

Combining Balance Sheets as of August 31, 2023

NYU Langone Health Combining Balance Sheets As of August 31, 2023	NYU Langone Hospitals Obligated Group	CCC550	Eliminations	Consolidated NYU Langone Hospitals	LICH Obligated Group	NYU Langone Health System and Other Entities	Eliminations	Consolidated NYU Langone Health System	NYU Grossman Schools of Medicine	Eliminations	Total NYU Langone Health
(\$ in thousands)											
Assets											
Current assets											
Cash and cash equivalents	\$ 318,968	\$ -	\$ -	\$ 318,968	\$ 24,479	\$ 1,128	\$ -	\$ 344,575	\$ 58,764	\$ -	\$ 403,339
Short-term investments	2,939,200	-	-	2,939,200	-	23,628	-	2,962,828	-	-	2,962,828
Assets limited as to use	13,047	-	-	13,047	-	-	-	13,047	35,307	-	48,354
Patient accounts receivable, net	1,033,978	-	-	1,033,978	31,145	-	-	1,065,123	157,965	-	1,223,088
Contribution receivable, current	95,802	-	-	95,802	-	-	-	95,802	45,137	-	140,939
Insurance receivables - billed	-	74,303	(65,941)	8,362	-	-	-	8,362	-	-	8,362
Due from related organizations, net	180,612	-	-	180,612	3,920	148,080	(158,043)	174,569	33,407	(198,354)	9,622
Inventories	200,168	-	-	200,168	7,683	-	-	207,851	285	-	208,136
Other current assets	199,574	5,903	-	205,477	20,995	40,175	-	266,647	215,975	-	482,622
Total current assets	4,981,349	80,206	(65,941)	4,995,614	88,222	213,011	(158,043)	5,138,804	546,840	(198,354)	5,487,290
Long-term investments	73,339	-	-	73,339	-	-	-	73,339	1,291,554	-	1,364,893
Assets limited as to use, less current portion	203,443	1,044,422	-	1,247,865	9,417	12,556	-	1,269,838	360,756	-	1,630,594
Contributions receivable, less current portion	263,910	-	-	263,910	-	-	-	263,910	62,904	-	326,814
Professional liabilities insurance recovery receivable	51,426	-	-	51,426	-	-	-	51,426	-	-	51,426
Operating lease right-of-use assets	507,982	-	-	507,982	4,709	-	-	512,691	984,405	-	1,497,096
Other assets	341,343	-	(283,212)	58,131	40,238	115,959	(130,986)	83,342	56,440	-	139,782
Due from related organizations, less current portion	93,572	-	-	93,572	-	14,266	(103,341)	4,497	5,770	(10,267)	-
Property, plant and equipment, net	5,116,912	-	-	5,116,912	221,241	6,000	-	5,344,153	3,979,446	-	9,323,599
Total assets	\$ 11,633,276	\$ 1,124,628	\$ (349,153)	\$ 12,408,751	\$ 363,827	\$ 361,792	\$ (392,370)	\$ 12,742,000	\$ 7,288,115	\$ (208,621)	\$ 19,831,914

The amounts for FY2023 are based on the audited financial statements but are labeled as unaudited because independent accountants did not perform procedures on the summarized presentation.

(Continued on next page)

Combining Balance Sheets as of August 31, 2023 (continued)

NYU Langone Health Combining Balance Sheets As of August 31, 2023	NYU Langone Hospitals Obligated Group	CCC550	Eliminations	Consolidated NYU Langone Hospitals	LICH Obligated Group	NYU Langone Health System and Other Entities	Eliminations	Consolidated NYU Langone Health System	NYU Schools Grossman of Medicine	Eliminations	Total NYU Langone Health
(\$ in thousands)											
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt and finance lease obligations	\$ 50,036	\$ -	\$ -	\$ 50,036	\$ 2,534	\$ -	\$ -	\$ 52,570	\$ 44,553	\$ -	\$ 97,123
Current portion of operating lease obligations	38,157	-	-	38,157	1,704	-	-	39,861	97,258	-	137,119
Accounts payable and accrued expenses	458,432	581	-	459,013	39,552	43,327	-	541,892	261,588	-	803,480
Accrued salaries and related liabilities	382,954	-	-	382,954	24,292	24,502	-	431,748	395,459	-	827,207
Deferred revenue	19,223	571	-	19,794	-	288	-	20,082	54,528	-	74,610
Due to related organizations	48,220	-	-	48,220	9,880	151,325	(158,043)	51,382	187,910	(198,354)	40,938
Other current liabilities	64,075	-	(33,670)	30,405	2,448	659	-	33,512	12,700	-	46,212
Total current liabilities	1,061,097	1,152	(33,670)	1,028,579	80,410	220,101	(158,043)	1,171,047	1,053,996	(198,354)	2,026,689
Long-term debt and finance lease obligations, less current portion	3,113,377	-	-	3,113,377	93,162	-	-	3,206,539	2,383,451	-	5,589,990
Long-term operating lease obligations, less current portion	524,196	-	-	524,196	6,529	-	-	530,725	980,011	-	1,510,736
Professional liabilities	96,627	840,264	-	936,891	30,147	-	-	967,038	-	-	967,038
Accrued pension liabilities	229,087	-	-	229,087	-	-	-	229,087	-	-	229,087
Accrued postretirement liabilities, less current portion	74,183	-	-	74,183	-	-	-	74,183	99,268	-	173,451
Due to related organizations, less current portion	-	-	-	-	108,343	-	(103,341)	5,002	84,991	(10,267)	79,726
Other liabilities	412,448	-	(32,271)	380,177	20,000	15,369	-	415,546	479,104	-	894,650
Total liabilities	5,511,015	841,416	(65,941)	6,286,490	338,591	235,470	(261,384)	6,599,167	5,080,821	(208,621)	11,471,367
Net assets											
Net assets without donor restrictions	5,596,737	283,212	(283,212)	5,596,737	21,334	121,712	(126,521)	5,613,262	954,404	-	6,567,666
Net assets with donor restrictions	525,524	-	-	525,524	3,902	4,610	(4,465)	529,571	1,252,890	-	1,782,461
Total net assets	6,122,261	283,212	(283,212)	6,122,261	25,236	126,322	(130,986)	6,142,833	2,207,294	-	8,350,127
Total liabilities and net assets	\$ 11,633,276	\$ 1,124,628	\$ (349,153)	\$ 12,408,751	\$ 363,827	\$ 361,792	\$ (392,370)	\$ 12,742,000	\$ 7,288,115	\$ (208,621)	\$ 19,821,494

The amounts for FY2023 are based on the audited financial statements but are labeled as unaudited because independent accountants did not perform procedures on the summarized presentation.

Statements of Changes in Net Assets

NYU Langone Hospitals Obligated Group

Statements of Changes in Net Assets

(unaudited)				
(\$ in thousands)	Without Donor Restrictions	With Donor Restrictions	Total	
Net assets at August 31, 2022	\$ 4,393,528	\$ 392,208	\$	4,785,736
Excess (Deficiency) of revenue over expenses	1,270,827	-		1,270,827
Net assets released from restrictions for operations	-	(24,990)		(24,990)
Net assets released from restrictions for capital purposes	30,896	(30,896)		-
Net assets released from restrictions for hazard mitigation	27,435	(27,435)		-
Change in pension and postretirement obligation	157,138	-		157,138
Equity transfers	(283,449)	-		(283,449)
Investment return, net	-	7,029		7,029
Appropriation of endowment distribution	-	(2,363)		(2,363)
Gifts, bequests and other items	362	211,971		212,333
Total changes in net assets	1,203,209	133,316		1,336,525
Net assets at August 31, 2023	\$ 5,596,737	\$ 525,524	\$	6,122,261

(unaudited)				
(\$ in thousands)	Without Donor Restrictions	With Donor Restrictions	Total	
Net assets at August 31, 2023	\$ 5,596,737	\$ 525,524	\$	6,122,261
Excess (Deficiency) of revenue over expenses	1,064,344	-		1,064,344
Net assets released from restrictions for operations	-	(54,081)		(54,081)
Net assets released from restrictions for capital purposes	6,516	(6,516)		-
Change in pension and postretirement obligation	(14,821)	-		(14,821)
Equity transfers to related organizations, net	(563,966)	-		(563,966)
Investment return, net	-	14,074		14,074
Appropriation of endowment distribution	-	(2,421)		(2,421)
Gifts, bequests and other items	(4,787)	48,971		44,184
Total changes in net assets	487,286	27		487,313
Net assets at August 31, 2024	\$ 6,084,023	\$ 525,551	\$	6,609,574

Statements of Changes in Net Assets

LICH Credit Group

Statements of Changes in Net Assets

(unaudited)				
(\$ in thousands)	Without Donor Restrictions	With Donor Restrictions	Total	
Net assets at August 31, 2022	\$ 76,307	\$ 3,861	\$	80,168
Excess of revenue over expenses	(51,908)	-		(51,908)
Net assets released from restrictions for operations	-	(150)		(150)
Contributions and other items	(4,527)	336		(4,191)
Total changes in net assets	(56,435)	186		(56,249)
Net assets at August 31, 2023	\$ 19,872	\$ 4,047	\$	23,919

(unaudited)				
(\$ in thousands)	Without Donor Restrictions	With Donor Restrictions	Total	
Net assets at August 31, 2023	\$ 19,872	\$ 4,047	\$	23,919
Excess of revenue over expenses	(11,163)	-		(11,163)
Net assets released from restrictions for operations	-	-		-
Grants, contributions, and commercial insurance for capital asset acquisitions	1,341	-		1,341
Gifts, bequests and other items	-	443		443
Total changes in net assets	(9,822)	443		(9,379)
Net assets at August 31, 2024	\$ 10,050	\$ 4,490	\$	14,540



Statements of Cash Flows

NYU Langone Hospitals Obligated Group - Statements of Cash Flows

(\$ in thousands)	(unaudited) Twelve months ended August 31, 2024		(unaudited) Twelve months ended August 31, 2023	
Cash flows from operating activities				
Changes in net assets	\$	487,313	\$	1,336,525
Adjustments to reconcile increase in net assets to net cash provided by operating activities				
Depreciation and amortization		458,003		443,233
Loss on disposal of property, plant and equipment and debt refinancing		10,902		15
Post-retirement and pension benefit adjustment		14,821		(157,138)
Equity transfers to related organizations, net		563,966		283,449
Cash contributions restricted for capital		(8,858)		(3,827)
Donated securities liquidated to cash and restricted for capital		(73,570)		-
Commercial insurance proceeds for capital		(30)		-
Net unrealized and realized (gain) loss on investments and assets limited as to use		(188,383)		(117,014)
Amortization of operating lease right-of-use assets		6,442		45,462
Changes in operating assets and liabilities				
Patient accounts receivable, net		(251,501)		5,548
Non-capital contributions receivable		50,024		(131,652)
Accounts payable and accrued expenses		63,966		22,528
Accrued salaries and related liabilities		(8,499)		(3,039)
Professional liabilities, net		(7,801)		(5,699)
Accrued pension obligation		(32,216)		(4,978)
Accrued postretirement obligation		(617)		1,758
Other operating assets, liabilities and deferred revenue		(104,814)		(280,887)
Net cash provided by operating activities		979,148		1,434,284
Cash flows from investing activities				
Acquisitions of property, plant and equipment		(630,824)		(661,790)
Purchases of investments		(3,725,982)		(2,770,286)
Sales of investments		5,095,465		1,160,426
Commercial insurance proceeds for capital		30		-
Loan to related organizations		109,363		(49,628)
Net cash provided by (used in) investing activities		848,052		(2,321,278)
Cash flows from financing activities				
Equity transfers to related organizations, net		(563,966)		(283,449)
Cash contributions and proceeds from donated securities restricted for capital		25,545		3,809
Proceeds from finance lease incentives		-		18
Principal payments on long-term debt, finance leases		(59,839)		(62,643)
Net cash used in financing activities		(598,260)		(342,265)
Net increase (decrease) in cash and cash equivalents		1,228,940		(1,229,259)
Cash and cash equivalents				
Beginning of year		318,968		1,548,227
End of year	\$	1,547,908	\$	318,968
Supplemental information				
Cash paid for interest	\$	121,912	\$	132,839
Right-of-use assets obtained in exchange for finance lease obligations		3,203		3,697
Change in non-cash acquisitions of property, plant and equipment		(24,560)		(635)
Right-of-use assets obtained in exchange for operating lease obligations		(14,466)		10,909

Statements of Cash Flows

LICH Obligated Group - Statements of Cash Flows			
(\$ in thousands)		(unaudited) Twelve months ended August 31, 2024	(unaudited) Twelve months ended August 31, 2023
Cash flows from operating activities			
Changes in net assets	\$	(9,379)	\$ (61,603)
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Depreciation and amortization		25,261	19,632
Net unrealized and realized (gain) loss on investments and assets limited as to use		(4,991)	1,414
Amortization of operating lease right-of-use assets		(3,459)	104
Changes in operating assets and liabilities			
Patient accounts receivable, net		(24,655)	(8,296)
Accounts payable and accrued expenses		620	12,406
Accrued salaries and related liabilities		2,046	(175)
Other operating assets, liabilities and deferred revenue		63,253	24,980
Net cash provided by operating activities		48,696	(11,538)
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(32,128)	(2,397)
Proceeds from sale of property, plant and equipment		6,000	-
Purchases of investments		(77,046)	(17,080)
Sales of investments		51,663	14,492
Commercial insurance proceeds for capital		-	-
Changes in assets limited as to use, net		(700)	11,387
Net cash provided by (used in) investing activities		(52,211)	6,402
Cash flows from financing activities			
Principal payments on long-term debt, finance leases		(2,074)	(1,863)
Net cash used in financing activities		(2,074)	(1,863)
Net increase (decrease) in cash and cash equivalents		(5,589)	(6,999)
Cash and cash equivalents			
Beginning of year		24,566	31,565
End of year	\$	18,977	\$ 24,566
Supplemental information			
Cash paid for interest	\$	3,886	\$ 3,856
Change in non-cash acquisitions of property, plant and equipment		6,910	34,589

Notes to the Financial Statements

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, and the results of its operations and changes in its net assets without donor restrictions for the interim periods indicated of NYU Langone Health including the presentation of standalone financial information for NYU Langone Hospitals and the LICH Credit Group.

NYU Langone Health presumes that users of this interim financial information have read or have access to the audited financial statements of NYU Langone Hospitals and NYU Langone Health which contain the LICH Credit Group financial statements, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The Financial Statements of NYU Langone Hospitals and NYU Langone Health which contain the LICH Credit Group financial statements for the fiscal year ended August 31, 2023 are on file at www.emma.msrb.org.

Patient volumes and net operating revenues are subject to seasonal variations caused by several 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, 2023 audited financial statements of NYU Langone Health. They do not include all 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: INVESTMENTS AND ASSETS LIMITED AS TO USE

Short-term investments consist of cash and cash equivalents and marketable securities.

Long-term investments include donor-restricted and unrestricted endowment funds held in a pooled investment portfolio maintained by NYU.

Assets limited as to use primarily consist of externally restricted assets held under long-term debt agreements, assets restricted for deferred retirement benefits, and assets restricted to pay professional liability claims. These assets consist primarily of marketable securities.

NOTE 4: 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 accounts receivable for services to patients and the valuation of 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.

Notes to the Financial Statements (continued)

NOTE 5 AUTHORITY PRONOUNCEMENTS ADOPTED

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. The previous standard delays the recognition of a credit loss on a financial asset until the loss is probable of occurring. The new standard removes the requirement that a credit loss be probable of occurring for it to be recognized, and requires entities to use historical experience, current conditions, and reasonable and supportable forecasts to estimate their future expected credit losses. The standard is required to be applied using the modified retrospective approach with a cumulative-effect adjustment to net assets, if any, upon adoption. This ASU is effective for NYU Langone Health for fiscal years beginning after December 15, 2022. NYU Langone Health adopted the ASU for fiscal year 2024 and the adoption did not have a material impact on the combined financial statements.

NOTE 6: RETIREMENT PLANS

NYU Langone Health 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 NYU Langone Health and certain of its related organizations, and a nonqualified supplemental retirement plan for certain executives. NYU Langone Health also provides pension and similar benefits to certain employees through a defined contribution plan. NYU Langone Health 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 NYU Langone Health 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 or rates required under union contractual arrangements. Contributions to NYU Langone Health's defined contribution plan are generally determined on base salaries up to the IRS limit.

Pension expense included in the statements of operations and changes in net assets for the twelve months ended August 31, 2024 totaled \$363.2 million.

