UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

The New York and Presbyterian Hospital

As of and For the Three Months Ended March 31, 2019

The New York and Presbyterian Hospital

Unaudited Consolidated Financial Statements
and Supplementary Information

As of and For the Three Months Ended March 31, 2019

CONTENTS

Unaudited Consolidated Financial Statements

Supplementary Information

The New York and Presbyterian Hospital

Unaudited Consolidated Statements of Financial Position
(In Thousands)

	(Unaudited) March 31 2019	*(Audited)* December 31 2018
Assets		
Current assets:		
Cash, cash equivalents and short-term investments:		
Cash and cash equivalents	**$ 492,661**	$ 590,045
Short-term investments	**2,339,935**	2,258,140
Total cash, cash equivalents and short-term investments	**2,832,596**	2,848,185
Patient accounts receivable, less allowance for uncollectibles (2019 – $192,644; 2018 – $237,814)	**1,109,116**	997,706
Other current assets	**283,656**	258,365
Assets limited as to use – current portion	**63,843**	63,836
Professional liabilities insurance recoveries receivable and related deposit – current portion	**94,853**	94,568
Beneficial interest in net assets held by related organizations – current portion	**63,045**	60,735
Due from related organizations – net	**1,153**	-
Total current assets	**4,448,262**	4,323,395
Assets limited as to use – noncurrent	**2,977,025**	2,870,811
Property, buildings, and equipment – net	**4,787,874**	4,718,139
Operating lease assets	**383,389**	-
Other noncurrent assets – net	**35,357**	35,163
Professional liabilities insurance recoveries receivable and related deposit – noncurrent	**294,443**	293,909
Beneficial interest in net assets held by related organizations – noncurrent	**2,000,249**	1,962,300
Total assets	**$ 14,926,599**	$ 14,203,717

Continued on following page.

The New York and Presbyterian Hospital

Unaudited Consolidated Statements of Financial Position (continued)

(In Thousands)

	(Unaudited) March 31 2019	*(Audited)* December 31 2018
Liabilities and net assets		
Current liabilities:		
Long-term debt – current portion	**$ 77,361**	$ 77,001
Operating lease liability - current portion	**54,938**	-
Accounts payable and accrued expenses	**818,721**	786,989
Accrued salaries and related liabilities	**429,978**	420,728
Pension and postretirement benefit liabilities - current portion	**25,872**	25,872
Professional liabilities and other insurance liabilities – current portion	**125,569**	125,569
Other current liabilities	**241,165**	247,818
Due to related organizations – net	**-**	16,522
Total current liabilities	**1,773,604**	1,700,499
Long-term debt	**2,722,061**	2,737,844
Operating lease liability - noncurrent	**328,451**	-
Professional liabilities and other insurance liabilities	**683,756**	677,404
Pension liability	**201,236**	187,989
Postretirement benefit liability	**62,741**	63,172
Other noncurrent liabilities	**508,807**	532,600
Total liabilities	**6,280,656**	5,899,508
Commitments and contingencies		
Net assets:		
Net assets without donor restrictions	**6,532,450**	6,233,164
Net assets with donor restrictions	**2,113,493**	2,071,045
Total net assets	**8,645,943**	8,304,209
Total liabilities and net assets	**$ 14,926,599**	$ 14,203,717

See accompanying notes.

The New York and Presbyterian Hospital

Unaudited Consolidated Statements of Operations
(In Thousands)

	(Unaudited) Three Months Ended March 31	
	2019	**2018**
Operating revenues		
Net patient service revenue	**$ 2,067,909**	$ 1,950,895
Other revenue	**96,137**	85,088
Total operating revenues	**2,164,046**	2,035,983
Operating expenses		
Salaries and wages	**997,844**	935,184
Employee benefits	**297,326**	284,382
Supplies and other expenses	**686,028**	632,125
Interest and amortization of deferred financing fees	**29,130**	25,456
Depreciation and amortization	**115,720**	95,893
Total operating expenses	**2,126,048**	1,973,040
Operating income	**37,998**	62,943
Investment return, net	**239,528**	(16,308)
Excess of revenues over expenses	**277,526**	46,635
Other changes in unrestricted net assets:		
Net asset transfers to related parties	**(2,654)**	-
Net assets transfer to restricted funds	**(453)**	-
Net assets released from restrictions for the purchase of fixed assets	**(31)**	-
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	**49,260**	88,059
Change in pension and postretirement benefit liabilities to be recognized in future periods	**(24,362)**	27,313
Change in unrestricted net assets	**$ 299,286**	$ 162,007

See accompanying notes.

The New York and Presbyterian Hospital

Unaudited Consolidated Statements of Changes in Net Assets

(In Thousands)

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Beneficial Interest in Net Assets with Donor Restrictions Held by Related Organizations: Plant Replacement	Specific Purpose	Endowment Earnings	Permanent Endowment	Total Beneficial Interest	Total Net Assets with Donor Restrictions	Total Net Assets
					(Unaudited)				
Net assets at January 1, 2018	$ 5,706,420	$ 56,050	$ 857,506	$ 785,912	$ 220,143	$ 256,378	$ 2,119,939	$ 2,175,989	$ 7,882,409
Change in unrestricted net assets	162,007	-	-	-	-	-	-	-	162,007
Net investment return - donor restricted	-	197	-	-	-	-	-	197	197
Changes in beneficial interest in net assets held by related organizations	-	-	(77,460)	12,347	278	600	(64,235)	(64,235)	(64,235)
Change in net assets	162,007	197	(77,460)	12,347	278	600	(64,235)	(64,038)	97,969
Net assets at March 31, 2018	$ 5,868,427	$ 56,247	$ 780,046	$ 798,259	$ 220,421	$ 256,978	$ 2,055,704	$ 2,111,951	$ 7,980,378
Net assets at January 1, 2019	**$ 6,233,164**	**$ 48,010**	**$ 708,543**	**$ 851,055**	**$ 203,210**	**$ 260,227**	**$ 2,023,035**	**$ 2,071,045**	**$ 8,304,209**
Change in unrestricted net assets	**299,286**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**299,286**
Net investment return - donor restricted	**-**	**2,158**	**-**		**-**	**-**	**-**	**2,158**	**2,158**
Net assets released from restrictions for the purchase of fixed assets		**31**	**-**	**-**	**-**	**-**	**-**	**31**	**31**
Changes in beneficial interest in net assets held by related organizations	**-**	**-**	**8,068**	**22,088**	**6,238**	**3,865**	**40,259**	**40,259**	**40,259**
Change in net assets	**299,286**	**2,189**	**8,068**	**22,088**	**6,238**	**3,865**	**40,259**	**42,448**	**341,734**
Net assets at March 31, 2019	**$ 6,532,450**	**$ 50,199**	**$ 716,611**	**$ 873,143**	**$ 209,448**	**$ 264,092**	**$ 2,063,294**	**$ 2,113,493**	**$ 8,645,943**

See accompanying notes.

The New York and Presbyterian Hospital

Unaudited Consolidated Statements of Cash Flows
(In Thousands)

	(Unaudited) Three Months Ended March 31 2019	2018
Operating activities		
Change in net assets	**$ 341,734**	$ 97,969
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**115,720**	95,893
Amortization of deferred financing costs, mortgage discount and other	**899**	940
Distribution from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	**(49,260)**	(88,059)
Equity in earnings of common collective/commingled trusts and alternative investments	**(169,252)**	(12,509)
Net realized losses (gains) on sales of investment companies	**9,588**	(2,751)
Change in unrealized gains and losses	**(69,187)**	54,524
Change in interest in pooled investments held by New York-Presbyterian Fund, Inc.	**-**	(201)
Equity in income from investee	**(1,500)**	(851)
Net asset transfers to related party	**2,654**	-
Increase in debt for interest accretion	**332**	4,554
Change in operating assets and liabilities:		
Patient accounts receivable	**(111,409)**	(7,394)
Other assets	**(19,639)**	(20,162)
Beneficial interest in net assets held by related organizations	**(40,258)**	64,234
Accounts payable and accrued expenses	**23,252**	34,530
Accrued salaries and related liabilities	**9,342**	14,818
Due to/from related organizations-net	**(14,009)**	4,359
Other liabilities	**(30,251)**	(15,475)
Professional liabilities and other and related insurance recoveries receivable	**5,582**	(3,071)
Pension and post retirement benefit liabilities	**12,816**	(22,506)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**17,154**	198,842
Investing activities		
Net purchases of investments and assets limited as to use	**40,829**	(59,795)
Acquisitions of property, buildings, and equipment	**(178,939)**	(216,624)
Loan receivable due from Silvercrest	**(1,000)**	-
NET CASH USED IN INVESTING ACTIVITIES	**(139,110)**	(276,419)
Financing activities		
Repayments of long-term debt	**(22,034)**	(20,875)
Net asset transfer to related party	**(2,654)**	-
Distributions from New York-Presbyterian Fund Inc. for the purchase of fixed assets	**49,260**	88,059
NET CASH PROVIDED BY FINANCING ACTIVITIES	**24,572**	67,184
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(97,384)**	(10,393)
Cash and cash equivalents at beginning of period	**590,045**	433,181
Cash and cash equivalents at end of period	**$ 492,661**	$ 422,788
Supplemental disclosure of cash flow information		
Assets acquired under capitalized lease obligations	**$ 6,515**	$ 2,643
Increase in operating lease asset and liability	**$ 383,389**	$ -

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Financial Statements

The New York and Presbyterian Hospital (the Hospital) presumes that users of this unaudited consolidated financial information intended for quarterly reporting purposes have read or have access to the Hospital's audited consolidated financial statements which include certain disclosures required by U.S. generally accepted accounting principles. The audited financial statements of the Hospital for the years ended December 31, 2018 and 2017 are on file with the Municipal Securities Rulemaking Board and are accessible through its Electronic Municipal Market Access Database (EMMA). Accordingly, footnotes and other disclosures that would substantially duplicate the disclosures contained in the Hospital's most recent audited financial statements have been omitted from the unaudited consolidated financial information.

In the opinion of management, all adjustments considered necessary for a fair presentation of the results of the periods have been included in the accompanying unaudited consolidated financial statements. All such adjustments are considered by management to be of a normal, recurring nature, except as noted otherwise. Certain amounts pertaining to the Hospital and its subsidiaries have been reflected in the accompanying unaudited consolidated and consolidating financial information based on amounts available as of the filing date of this unaudited consolidated information and are recorded based on annual estimates, are only updated annually, or are projected for interim financial reporting purposes; however, such amounts and estimates are subject to change and are reevaluated by the Hospital quarterly and on an annual basis.

Organization and Basis of Presentation: The accompanying consolidated financial statements include the accounts of The New York and Presbyterian Hospital (as an entity separate from its subsidiaries, NYPH), NYP Community Programs, Inc. (Community Programs) and other consolidated entities as described below. NYPH is the sole member of Community Programs. The reporting entity resulting from the consolidation of these entities is referred to herein as the "Hospital." All significant intercompany balances and transactions have been eliminated in consolidation.

NYPH is a tax-exempt organization that was incorporated under New York State not-for-profit corporation law. NYPH is a major academic medical center, providing a full range of inpatient and outpatient services, mainly to residents of the New York metropolitan area. The Board of Trustees of NYPH consists of persons who have first been elected as members of New York-Presbyterian Foundation, Inc. (Foundation, Inc.), a New York State not-for-profit corporation. Foundation, Inc. is related to a number of organizations.

1. Organization and Summary of Significant Accounting Policies (continued)

Community Programs serves as the active parent organization for the NewYork-Presbyterian Regional Hospitals, which through March 31, 2018 consisted of NewYork-Presbyterian/Lawrence Hospital ("NYP/Lawrence Hospital"), Hudson Valley Hospital Center (d/b/a NewYork-Presbyterian/Hudson Valley Hospital) ("NYP/Hudson Valley"), NewYork-Presbyterian Hospital/Queens ("NYP/Queens") and NewYork-Presbyterian/Brooklyn Methodist (d/b/a NewYork-Presbyterian/Brooklyn Methodist Hospital) ("NYP/Brooklyn Methodist"), collectively the "Regional Hospitals". Effective April 1, 2018, NYP/Lawrence Hospital was merged into NYPH with NYPH receiving substantially all assets and liabilities of NYP/Lawrence Hospital, and Community Programs was disestablished as the active parent of NYP/Lawrence Hospital. This change had no impact on the Hospital's consolidated financial statements as NYP/Lawrence Hospital and its related entities were previously included in the consolidated financial statements.

In connection with and effective on the same date as the merger of NYP/Lawrence Hospital into NYPH, the by-laws of Lawrence Care, Inc. ("LCI"), which was formerly a subsidiary of NYP/Lawrence Hospital and is the sole corporate member of Lawrence Community Health Services ("LCHS"), were amended such that LCI has no corporate member and a majority of its Board of Directors will consist of individuals concurrently participating in the supervision, control or management of NYPH. LCHS operates a certified home health agency, a certified hospice program and a bereavement center. Additionally, effective as of the date of the merger, Lawrence Medical Associates, P.C. (d/b/a NewYork-Presbyterian Medical Group/Westchester), a State of New York professional corporation exempt from federal income tax that was organized in 2009 for the sole purpose of supporting and furthering the charitable purposes of NYP/Lawrence Hospital, now supports and furthers the charitable purposes of NYPH.

Although NYPH and Community Programs have been consolidated for financial statement presentation, there may be limitations on the use of one entity's funds by another member of the consolidated group resulting from the charitable nature of some of the entities or other factors.

A summary of significant accounting policies follows:

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, such as collections on accounts receivable for services to patients, valuation of alternative investments, and liabilities, such as estimated settlements with third-party payors,professional insurance liabilities, and pension and postretirement benefits liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated 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.

1. Organization and Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. (ASU) 2016-02, *Leases*, which requires lessees to report a most leases on their statements of financial position, but recognize expenses on their income statements in a manner similar to the prior accounting. The guidance also eliminates current real estate-specific provisions. Lessors in operating leases continue to recognize the underlying asset and recognize lease income on either a straight-line basis or another systematic and rational basis. The provisions of ASU 2016-02 became effective for the Hospital for annual periods beginning after December 15, 2018. The Hospital adopted ASU 2016-02 effective January 1, 2019 in the accompanying unaudited consolidated financial statements as of and for the three month period ended March 31, 2019. The Hospital adopted ASU 2016-02 following the modified retrospective method of application. As such, the prior period consolidated financial statement amounts and disclosures have not been adjusted to reflect the provisions of the new standard. There was no cumulative-effect adjustment to the prior period consolidated net assets as a result of the adoption. The Hospital has made the transition-specific election to apply the package of practical expedients which allows for the carryforward of historical assessments of (1) whether contracts are or contain leases, (2) lease classification and (3) initial direct costs. Additionally, for operating leases entered into prior to January 1, 2019, the Hospital has elected to utilize the operating leases' remaining lease term as of the date of adoption to determine the discount rate used to initially measure the liability. Certain other accounting policy elections and quantitative and qualitative information pertaining to the Hospital's adoption of ASU 2016-02 are described in Note 6.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958); Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies existing guidance in order to address diversity in practice in classifying grants (including governmental grants) and contracts received by not-for-profit entities, and requires entities to evaluate whether the resource provider receives commensurate value. In addition, the standard clarifies the guidance on how entities determine when a contribution is conditional, including whether the agreement includes a barrier (or barriers) that must be overcome for the recipient to be entitled to the transferred assets and a right of return of the transferred assets (or a right of release of the promisor's obligation to transfer the assets). The standard was applied on a modified prospective basis to agreements that were not completed as of the effective date and to agreements entered into after the effective date. The Hospital adopted ASU 2018-08 January 1, 2019 on a retrospective basis. The adoption of ASU 2018-08 in relation to other revenue activity did not have a material impact to the Hospital's accompanying unaudited consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies (continued)

Net Patient Service Revenue

For periods commencing January 1, 2018

Net patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration (reductions to revenue) for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations.

The Hospital uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios primarily consist of major payor classes for inpatient revenue and major types of services provided for outpatient revenue. Based on historical collection trends and other analyses, the Hospital believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

The Hospital's initial estimate of the transaction price for services provided to patients subject to revenue recognition is determined by reducing the total standard charges related to the patient services provided by various elements of variable consideration, including contractual adjustments, discounts, implicit price concessions, and other reductions to the Hospital's standard charges. The Hospital determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements, the Hospital's discount policies and historical experience. For uninsured and under-insured patients who do not qualify for charity care, the Hospital determines the transaction price associated with services on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on the Hospital's historical collection experience for applicable patient portfolios. Under the Hospital's charity care policy, a patient who has no insurance or is under-insured and is ineligible for any government assistance program has his or her bill reduced to (1) the lesser of charges or the Medicaid diagnostic-related group for inpatient and (2) a discount from Medicaid fee-for-service rates for outpatient. Patients who meet the Hospital's criteria for free care are provided care without charge; such amounts are not reported as revenue.

Generally, the Hospital bills patients and third-party payors several days after the services are performed and/or the patient is discharged. Net patient service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Hospital. Net patient service revenue for performance obligations satisfied over time is recognized based on estimated expected payment at that point in time. The Hospital believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the services needed to satisfy the obligation.

1. Organization and Summary of Significant Accounting Policies (continued)

Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services or patients receiving services in the Hospital's outpatient and ambulatory care centers. The Hospital measures the performance obligation from admission into the Hospital or the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or the completion of the outpatient visit.

Net patient service revenue for the period ended March 31, 2019 and 2018, by payor is as follows (in thousands):

	March 31, 2019	March 31, 2018
	(Unaudited)	
Medicare	$ 570,361	$ 538,087
Medicaid	358,518	338,231
Commercial carriers and health maintenance organizations	1,114,404	1,060,780
Self-pay	24,626	13,797
	$ 2,067,909	$ 1,950,895

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the third-party payors amounts above.

As substantially all of its performance obligations relate to contracts with a duration of less than one year, the Hospital is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period for patients who remain admitted at that time (in-house patients). The performance obligations for in-house patients are generally completed when the patients are discharged, which for the majority of the Hospital's in-house patients occurs within days or weeks after the end of the reporting period.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to patient service revenue in the period of the change. For the period ended March 31, 2019 and 2018, changes in the Hospital's estimates of implicit price concessions, discounts, contractual adjustments or other reductions to expected payments for performance obligations satisfied in prior periods were not significant. Portfolio collection estimates are updated quarterly based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay (determined on a portfolio basis when applicable) are recorded as bad debt expense. Bad debt expense for the period ended March 31, 2019 and 2018 was not significant.

1. Organization and Summary of Significant Accounting Policies (continued)

The Hospital has elected the practical expedient allowed under ASU 2014-09 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Hospital's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Hospital does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

At March 31, 2019 and December 31, 2018, accounts receivable is comprised of the following components (in thousands):

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Patient receivables	$ 1,031,986	$ 929,289
Contract assets	77,130	68,417
	$ 1,109,116	$ 997,706

Settlements with third-party payors for cost report filings and retroactive adjustments due to ongoing and future audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity (for example, cost report final settlements or repayments estimated based on the terms of the payment agreement with the payor, correspondence from the payor related to recovery audits), including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Such estimates are determined through either a probability-weighted estimate or an estimate of the most likely amount, depending on the circumstances related to a given estimated settlement item. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. For the three months ended March 31, 2019 and 2018, the net effect of the Hospital's revisions to prior year estimates resulted in net patient service revenue increasing by approximately $18.6 million and $0.6 million, respectively.

1. Organization and Summary of Significant Accounting Policies (continued)

The Hospital has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payors for adjustments to current and prior years' payment rates, based on industry-wide and Hospital-specific data. The current Medicaid, Medicare and other third-party payor programs are based upon extremely complex laws and regulations that are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled, audits are completed and additional information is obtained. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The Hospital is not aware of any allegations of noncompliance that could have a material adverse effect on the accompanying consolidated financial statements and believes that it is in compliance with all applicable laws and regulations, except for a matter disclosed in its audited consolidated financial statements for the years ended December 31, 2018 and 2018 (refer to Note 12 therein).

There are various proposals at the federal and state levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of or revisions to health care reform that has been enacted by the federal government, cannot be determined presently. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Hospital. Additionally, certain payors' payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years could be realized.

Investments

Investments consist of money market funds, fixed income securities (including U.S. government bonds, non-U.S. government bonds, agency notes, mortgage and asset backed and corporate bonds), equity securities (including readily tradeable stocks, exchange traded funds and mutual funds), real asset investments (including individual investments and mutual funds invested in natural resources, energy and commodities), interests in common collective/commingled trusts, and alternative investments (including hedge funds, investments in private equity firms and real asset funds), as well as investments of such securities held on a pooled basis with related parties. All investments are classified as trading investments and, (excluding interests in common collective/commingled trusts, alternative investments and pooled investments held by related parties) are carried at fair value based on quoted market prices.

Alternative investment interests generally are structured such that the Hospital holds a limited partnership or an interest in an investment management company. The Hospital's ownership structure does not provide for control over the related investees and the Hospital's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment.

1. Organization and Summary of Significant Accounting Policies (continued)

Individual investment holdings within the alternative investments include non-marketable and market-traded debt, equity and real asset securities and interests in other alternative investments. The Hospital may be exposed indirectly to securities lending, short sales of securities and trading in futures and forward contracts, options and other derivative products. Alternative investments often have liquidity restrictions under which the Hospital's capital may be divested only at specified times.

Alternative investments, excluding those held in the Hospital's defined benefit plans, and interests in common collective/commingled trusts are reported in the accompanying unaudited consolidated statements of financial position based upon net asset values derived from the application of the equity method of accounting. Alternative investments held in the Hospital's defined benefit plans are stated at fair value, as estimated in an unquoted market. Fair value for alternative investments is determined for each investment using net asset values as a practical expedient, as permitted by generally accepted accounting principles, rather than using another valuation method to independently estimate fair value. Financial information used by the Hospital to evaluate its alternative investments is provided by the investment manager or general partner and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not coincide with the Hospital's financial statement reporting. There is uncertainty in the accounting for alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings and time lags associated with reporting by the investee companies. As a result, there is at least a reasonable possibility that estimates will change in the near term.

Interests in pooled investments with related parties are reported based upon unitized net asset value.

Tax Status

The majority of the entities comprising the Hospital are Section 501(c)(3) organizations exempt from Federal income taxes on related income under Section 501(a) of the Internal Revenue Code. These entities are also exempt from New York State income taxes. NYPH, Community Programs, NYP/Queens and NYP/Brooklyn Methodist are exempt from New York City income taxes.

There are various subsidiaries of the Hospital that are for-profit entities. Taxable operations and the potential for income taxes from these entities and from unrelated business activities of the tax exempt entities are not significant to the accompanying consolidated financial statements.

2. Pension and Similar Benefit Plans

The Hospital provides pension and similar benefits to its employees through several plans, including various multi-employer plans for union employees and several defined benefit plans. Additionally, the Hospital as defined contribution plans for certain employees. The Hospital also has several postretirement benefit plans that provide certain health care and life insurance benefits to its employees.

The Hospital 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 the Hospital may deem appropriate from time to time. Amounts contributed to the defined benefit pension plans are based on actuarial valuations.

The Hospital contributed $26.6 million and $14.0 million to its defined benefit pension plans for the three months ended March 31, 2019 and 2018, respectively. The Hospital expects to contribute approximately $95.4 million for the remainder of 2019.

The Hospital contributed $1.0 million and $0.9 million to its other postretirement benefit plans for the three months ended March 31, 2019 and 2018, respectively. The Hospital expects to contribute approximately $3.1 million to its other postretirement benefit plans for the remainder of 2019.

The Hospital recognizes in its consolidated statements of financial position an asset, for a defined benefit postretirement plan's overfunded status, or a liability, for a plan's underfunded status; measures a defined benefit postretirement plan's assets and obligations that determine funded status as of the end of the Hospital's fiscal year; and recognizes the periodic change in the funded status of a defined benefit postretirement plan as a component of changes in net assets without donor restrictions in the year in which the change occurs. Amounts that are recognized as a component of changes in net assets without donor restrictions will be subsequently recognized as net periodic benefit cost. On a quarterly basis, NYPH management has elected to determine an interim discount rate and reports the change in pension and postretirement benefit liabilities to be recognized in future periods in its consolidated statement of operations. The interim discount rate estimates are subject to volatility from market interest rates and amounts reported on an interim basis are subject to change.

2. Pension and Similar Benefit Plans (continued)

Net periodic benefit cost consists of the following for the three months ended March 31, 2019 and 2018 (in thousands):

	Pension Plans		Postretirement Benefit Plans	
	2019	**2018**	**2019**	**2018**
	(Unaudited)		*(Unaudited)*	
Service cost	**$ 22,624**	$ 22,403	**$ 628**	$ 647
Interest cost	**20,208**	20,010	**611**	629
Expected return on plan assets	**(36,259)**	(35,904)	**–**	–
Net amortization of prior service cost	**133**	132	**(136)**	(140)
Recognized actuarial loss	**9,198**	9,108	**322**	332
Recognized actuarial loss due to settlement	**88**	88	**–**	–
Net periodic pension cost and postretirement benefits cost	**$ 15,992**	$ 15,837	**$ 1,425**	$ 1,468

3. Professional Liability Insurance Program

In 1978, the Hospital, in conjunction with a number of unrelated health care entities, participated in the formation of captive insurance companies (collectively, the Captive) to provide professional liability and general liability insurance to its participants. The premiums are based on a modified claims-made coverage and are actuarially determined based on the actual experience of the Captive, Hospital-specific experience, and estimated current exposure. The Captive has reinsurance coverage from reinsurers for certain amounts above its coverage level per claim limits. Rights to equity in the Captive were transferred to New York-Presbyterian Fund, Inc. (Fund, Inc.) in 1996, a related party. Accordingly, insurance premiums are paid by the Hospital initially to Fund, Inc.

Effective July 1, 2013, August 1, 2014, February 1, 2015 and December 1, 2015, NewYork-Presbyterian/Lower Manhattan Hospital (NYP/LMH), NYP/Lawrence Hospital, NYP/Hudson Valley and NYP/Queens, respectively, became insured by the Captive. Prior to each entity's respective effective date with the Captive, the entities were covered by various self-insured, claims-made and excess insurance policies. NYP/Brooklyn Methodist participates in a separate captive insurance program, which includes certain self-insured retentions. The notes to the audited consolidated financial statements of the Hospital for the years ended December 31, 2018 and 2017, include additional disclosures which describe the Hospital's accounting for its professional liability insurance program and related matters. The Hospital's estimates for professional liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the Hospital and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result,

3. Professional Liability Insurance Program (continued)

there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

4. Investments and Assets Limited as to Use

Investments are either separately invested or held on a pooled basis with related parties (pooled with New York–Presbyterian Fund Inc. (Fund, Inc.) or included in unitized investment funds within Hudson East River Systems, LLC (HERS)). The composition and reported value of short-term investments and assets limited as to use, at March 31, 2019 and December 31, 2018, consist of the following (in thousands):

	March 31, 2019	December 31, 2018
	(Unaudited)	*(Audited)*
Investments held by the Hospital:		
Marketable securities, carried at fair value (*Note 5*)	**$ 582,241**	$ 566,592
Hedge funds, accounted for using the equity method	**52,252**	50,767
Total investments held by the Hospital	**634,493**	617,359
Unitized investments held by HERS, accounted for using the equity method	**1,702,401**	1,637,740
Pooled investments held by Fund, Inc. on behalf of NYP/Queens, accounted for using the equity method	**3,041**	3,041
Total short-term investments	**$ 2,339,935**	$ 2,258,140

4. Investments and Assets Limited as to Use (continued)

	March 31, 2019 *(Unaudited)*	December 31, 2018 *(Audited)*
Investments accounted for at fair value:		
Marketable securities, carried at fair value	**$ 634,428**	$ 846,644
Investments held by captive insurance companies, at allocated fair value	**216,575**	214,448
Total investments accounted for at fair value	**851,003**	1,061,092
Hospital held investments accounted for using the equity method:		
Equities and bonds held in common collective/commingled trusts:		
U.S. equites	**169,493**	261,066
Non-U.S. equities	**115,164**	217,891
Total equities and bonds held in common/collective commingled trusts	**284,657**	478,957
Hedge funds	**3,684**	4,274
Private equity	**39,581**	48,933
Private real assets	**50,568**	54,915
Total Hospital held investments accounted for using the equity method	**378,490**	587,079
Pooled investments held by Fund, Inc. on behalf of NYP/Queens, accounted for using the equity method	**23,390**	23,390
Unitized investments held by HERS, accounted for using the equity method	**1,787,985**	1,263,086
Total investments accounted for using the equity method	**2,189,865**	1,873,555
Total assets limited as to use	**3,040,868**	2,934,647
Less current portion	**63,843**	63,836
Assets limited as to use – noncurrent	**$ 2,977,025**	$ 2,870,811

Fund, Inc., an entity related to the Hospital, is the managing member of HERS. HERS began a program to actively manage certain investments of the Hospital and other related organizations in a unitized structure on April 1, 2018. Each entity's member capital account for HERS is tracked for various strategic pools of investments. Each entity is allocated income from investments on a monthly basis based on the underlying fair values and net asset values of the invested securities and their individual unitized ownership. The

4. Investments and Assets Limited as to Use (continued)

Hospital recognizes in its consolidated statements of financial position only the unitized portion of HERS assets attributable to the Hospital's member capital account. HERS assets attributable to the Hospital's member capital account represented approximately 65% of total HERS portfolio at March 31, 2019.

The asset allocation of the HERS investment portfolio and unfunded commitments and liquidity restrictions certain alternative investments held by HERS at March 31, 2019 are as follows (in thousands):

Description of Investment	Asset Allocation	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
		(Unaudited)		
Marketable securities measured at fair value:				
Cash and cash equivalents	**4 %**			
Fixed income securities:				
U.S. government bonds and notes	**11**			
Mortgage and asset-backed	**7**			
Corporate	**11**			
Equities:				
U.S. equities	**4**			
Non-U.S. equities	**7**			
Real asset investments	**2**			
Common collective/commingled trusts – equities	**18**	**$ –**	Daily to Annual	3 to 90 days
Hedge funds	**15**	**–**	Monthly to Annual	30 to 180 days
Private equity	**14**	**493,551**	*	*
Private real assets	**7**	**415,776**	*	*
	100 %	**$ 909,327**		

* HERS' liquidity restrictions range from several month to ten years for certain private equity and real asset investments. Liquidity restrictions may apply to all or portions of a particular invested amount.

5. Fair Value Measurements

The Hospital uses various methods of calculating fair value of its financial assets and liabilities, when applicable. The Hospital defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. Fair value measurements are applied based on the unit of account from the Hospital's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated).

The Hospital uses a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Hospital uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers non-performance risk in its assessment of fair value.

5. Fair Value Measurements (continued)

The following table presents financial instruments carried at fair value, excluding assets invested in the Hospital's pension plans, as of March 31, 2019 and December 31, 2018 (in thousands):

	March 31, 2019 *(Unaudited)*			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents – held for investment	**$ 116,776**	**$ 116,776**	**$ –**	**$ –**
Fixed income:				
U.S. government	**202,604**	**200,249**	**2,355**	**–**
Corporate	**84,923**	**54,489**	**30,434**	**–**
Mortgage and asset backed	**13,856**	**–**	**13,856**	**–**
Equities:				
U.S. equities[(a)]	**194,572**	**194,572**	**–**	**–**
Non-U.S. equities [(b)]	**71,268**	**71,268**	**–**	**–**
Real assets (equity portfolios)	**121,575**	**121,575**	**–**	**–**
Mutual funds	**411,545**	**411,545**	**–**	**–**
Alternative investments – investment held by captive insurance companies[(c)]	**216,575**	**–**	**186,338**	**30,237**
	$ 1,433,694	**$ 1,170,474**	**$ 232,983**	**$ 30,237**

	December 31, 2018 *(Audited)*			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents – held for investment	$ 153,831	$ 153,831	$ –	$ –
Fixed income:				
U.S. government	300,665	300,665	–	–
Corporate	127,319	94,111	33,208	–
Mortgage and asset backed	15,597	–	15,597	–
Other	2,638	564	2,074	–
Equities:				
U.S. equities[(a)]	15,510	15,510	–	–
Non-U.S. equities[(b)]	2,330	2,330	–	–
Real assets (equity portfolios)	157,986	157,986	–	–
Mutual funds	637,360	637,360	–	–
Alternative investments – investments held by captive insurance companies[(c)]	214,448	–	184,211	30,237
	$ 1,627,684	$ 1,362,357	$ 235,090	$ 30,237

5. Fair Value Measurements (continued)

The Hospital's alternative investments, common collective/commingled trusts, unitized investments held by HERS and pooled investments held by Fund, Inc. are reported using the equity method of accounting and, therefore, are not included in the tables above (see Note 1).

Financial instruments invested in the Hospital's pension plans at fair value are classified in the table below in one of the three categories described above as of March 31, 2019 and December 31, 2018 (in thousands):

	March 31, 2019 *(Unaudited)*			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	**$ 66,271**	**$ 66,271**	**$ –**	**$ –**
Fixed income:				
U.S. government	**208,201**	**208,201**	**–**	**–**
Equities:				
U.S. equities[(a)]	**16,820**	**16,820**	**–**	**–**
Non-U.S. equities[(b)]	**114,916**	**114,916**	**–**	**–**
Real assets (equity portfolios)	**20,494**	**20,494**	**–**	**–**
	426,702	**$ 426,702**	**$ –**	**$ –**
Asset measured at net asset value as a practical expedient:				
Common collective equity funds[(d)]	**567,275**			
Hedge funds[(e)]	**413,043**			
Private equity[(f)]	**393,926**			
Private real assets[(g)]	**211,360**			
	$ 2,012,306			

5. Fair Value Measurements (continued)

	December 31, 2018 (Audited)			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 57,388	$ 57,388	$ –	$ –
Fixed income:				
U.S. government	196,844	196,844	–	–
Equities:				
U.S. equities[a]	15,125	15,125	–	–
Non-U.S. equities[b]	111,783	111,783	–	–
Real assets (equity portfolios)	28,688	28,688	–	–
	409,828	$ 409,828	$ –	$ –
Asset measured at net asset value as a practical expedient:				
Common collective equity funds [d]	548,515			
Hedge funds[e]	390,128			
Private equity[f]	370,223			
Private real assets[g]	201,190			
	$ 1,919,884			

[a] Equity portfolios invested in common stock of corporations primarily domiciled in the United States.

[b] Equity portfolios invested in common stock of corporations primarily domiciled outside the United States, including emerging market countries.

[c] Investments held by captive insurance companies consist of assets which are pooled with other assets that include marketable securities and alternative investments. The investments are managed by CCC Investment Trust and are independently audited.

[d] Common collective/commingled trusts invested in common stock of corporations domiciled in the United States and outside the United States, including emerging market countries.

[e] Hedge funds include long and short equity, multi-strategy, event driven relative value funds and uncorrelated alpha funds invested with managers who invest with different strategies and typically employ some leverage. In long and short equity, fund managers create a portfolio of long positions in stocks expected to appreciate over time and short positions in stocks expected to depreciate. Event driven managers create a portfolio designed to profit from corporate events, such as mergers, spin-offs, defaults and bankruptcy. Relative value managers invest in long and short positions, but typically have a more neutral net market position than long and short. Multi-strategy is a fund employing a variety of hedge fund strategies. Uncorrelated alpha funds seek to diversify the sources of alpha by applying quantitative and evaluation techniques in uncorrelated markets using a wide range of models to evaluate uncorrelated equity and bond markets.

5. Fair Value Measurements (continued)

(f) Private equity investments include limited partnership investments in funds pursuing strategies in corporate buyouts, venture capital, growth equity, distressed and turnaround investments.

(g) Real estate and natural resources investments.

The following is a description of the Hospital's valuation methodologies for assets measured at fair value. The fair value methodologies are not necessarily indicators of investment risk, but are descriptive of the measures used to arrive at fair value. Fair value for Level 1 is based upon quoted market prices. Investments classified as Level 2 are primarily valued using techniques that are consistent with the market approach. Valuations for Level 2 are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs, which include broker/dealer quotes, reported/comparable trades, and benchmark yields are obtained from various sources including market participants, dealers and brokers. The Pension Plans' common collective/commingled trusts and alternative investments are measured at net asset value; the valuation for these alternative investments is described in Note 1. The methods described above may produce a fair value that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a summary of investments (by major class) that have restrictions on the Hospital's or the Hospital's pension plans ability to redeem its investments at the measurement date, any unfunded capital commitments and the investments strategies of the investees as of March 31, 2019 (including investments accounted for using the equity method) (in thousands):

Description of Investment	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Common collective/ commingled trusts	$ **851,932**	$ –	Daily to annually	3 to 90 days
Hedge funds	**468,979**	–	Monthly to annually	30 to 180 days
Private equity	**433,507**	**285,855**	*	*
Private real assets	**261,928**	**248,650**	*	*
	$ **2,016,346**	$ **534,505**		

* The Hospital's liquidity restrictions range from several months to ten years for certain private equity and real asset investments. Liquidity restrictions may apply to all or portions of a particular invested amount.

6. Leases

As described in Note 1, the Hospital adopted ASU 2016-02 effective January 1, 2019. The Hospital leases certain property and equipment under finance and operating leases. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and certain criteria, such as the term of the lease relative to the useful life of the asset and the total lease payments to be made as compared to the fair value of the asset, amongst other criteria. Finance leases result in an accounting treatment similar to an acquisition of the asset.

For leases with initial terms greater than a year (or initially, greater than one year remaining under the lease at the date of adoption of ASU 2016-02), the Hospital records the related right-of-use assets and liabilities at the present value of the lease payments to be paid over the life of the related lease. The Hospital's leases may include variable lease payments and renewal options. Variable lease payments are excluded from the amounts used to determine the right-of-use assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded from the amounts used to determine the right-of-use assets and liabilities unless the Hospital is reasonably certain to exercise the option to extend the lease. The present value of lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, the Hospital has elected to use a risk-free discount rate determined using a period comparable with that of the lease term. The Hospital has made an accounting policy election to separate lease components from nonlease components in contracts when determining its lease payments for its asset classes except for medical equipment, as permitted by ASU 2016-02. As such, the Hospital accounts for the applicable nonlease components together with the related lease components when determining the right-of-use assets and liabilities.

The Hospital has made an accounting policy election not to record leases with an initial term of less than a year as right-of-use assets and liabilities.

6. Leases (continued)

The following schedule summarizes information related to the lease assets and liabilities as of and for the three month period ended March 31, 2019 (in thousands):

Lease cost for the three month period ended March 31, 2019:	
Finance lease cost:	
Amortization of right-of-use asset	$ 5,239
Interest on lease liabilities	682
Operating lease cost	16,609
Short-term lease cost	278
Variable lease cost	–
Sublease income	–
Total lease cost	$ 22,808
Right-of-use assets and liabilities as of March 31, 2019:	
Right-of-use assets – finance leases	$ 75,456
Lease liability – finance leases	97,826
Right-of-use assets – operating leases	383,389
Lease liability – operating leases	383,389
Other information:	
Cash paid for amounts included in the measurement of lease liabilities (three month period ended March 31, 2019):	
Operating cash flows from finance leases	$ 679
Operating cash flows from operating leases	16,366
Financing cash flows from finance leases	5,842
Right-of-use assets obtained in exchange for new finance lease liabilities (three month period ended March 31, 2019)	7,100
Right-of-use assets obtained in exchange for new operating lease liabilities (three month period ended March 31, 2019)	9,283
Weighted-average remaining lease term – finance leases	4.23
Weighted-average remaining lease term – operating leases	6.49
Weighted-average discount rate – finance leases	3.03
Weighted-average discount rate – operating leases	2.22

For finance leases, right-of-use assets are recorded in property, buildings and equipment and lease liabilities are recorded in long-term debt in the accompanying consolidated statements of financial position. For operating leases, right-of-use assets are recorded in operating lease assets and lease liabilities are recorded in operating lease liabilities, current and noncurrent in the accompanying consolidated statements of financial position.

6. Leases (continued)

The following table reconciles the undiscounted lease payments to the lease liabilities recorded on the accompanying consolidated statement of financial position at March 31, 2019 (in thousands):

	Finance leases	Operating leases
2019	$ 22,419	$ 51,105
2020	26,121	56,863
2021	22,057	46,431
2022	17,208	40,048
2023	8,878	35,010
Thereafter	7,195	215,100
Total lease payments	103,878	444,557
Less imputed interest	6,051	61,168
Total lease obligation	97,827	383,389
Less current portion	25,318	54,938
Long-term portion	$ 72,509	$ 328,451

7. Commitments and Contingencies

Various investigations, lawsuits and claims arising in the normal course of operations are pending or on appeal against the Hospital. While the ultimate effect of such actions cannot be determined at this time, it is the opinion of management that the liabilities which may arise from such actions would not materially affect the consolidated financial position or results of operations of the Hospital. Refer to Note 12 of the Hospital's December 31, 2018 audited consolidated financial statements for its annual disclosure of other matters involving commitments and contingencies.

8. Subsequent Events

Subsequent events have been evaluated through May 30, 2019, which is the date the unaudited consolidated financial statements were issued.

In connection with the Hospital's workers' compensation insurance program, in April 2019, the Hospital moved from a guaranteed cost workers compensation insurance program to a self-insured large deductible plan. This plan has a single occurrence deductible of $1.0 million. The Hospital maintains an unsecured letter of credit for an initial amount of $9.5 million.

Consolidating Information

The following table summarizes the unaudited consolidating statement of financial position at March 31, 2019 (in thousands):

	Obligated Group NYPH	Other Entities	Non-Obligated Group NYP Community Programs, Inc. NYP/Hudson Valley	NYP/Queens	NYP/Brooklyn Methodist	Eliminations/ Reclasses	Consolidated
				(Unaudited)			
Assets							
Current assets:							
Cash, cash equivalents and short-term investments:							
Cash and cash equivalents	$ 350,236	$ 11,079	$ 11,521	$ 21,054	$ 98,771	$ -	$ 492,661
Short-term investments	1,702,476	-	40,143	33,886	563,430	-	2,339,935
Total cash, cash equivalents and short-term investments	2,052,712	11,079	51,664	54,940	662,201	-	2,832,596
Patient accounts receivable, less allowance for uncollectibles	830,359	6,398	30,838	131,708	109,813	-	1,109,116
Other current assets	204,737	502	7,714	34,302	36,401	-	283,656
Assets limited as to use – current portion	34,349	-	-	11,034	18,460	-	63,843
Professional liabilities insurance recoveries receivable and related deposit – current portion	76,162	-	2,274	16,417	-	-	94,853
Beneficial interest in net assets held by related organizations – current portion	63,045	-	-	-	-	-	63,045
Due to related organizations - net	53,215	-	-	-	-	(52,062)	1,153
Loans receivable from Regional Hospitals - current portion	8,957	-	-	-	-	(8,957)	-
Total current assets	3,323,536	17,979	92,490	248,401	826,875	(61,019)	4,448,262
Assets limited as to use – noncurrent	2,591,093	9,136	1,675	52,855	322,266	-	2,977,025
Property, buildings, and equipment – net	3,936,452	6,932	149,428	284,911	410,151	-	4,787,874
Operating lease assets	257,930	11,743	7,477	54,462	51,777	-	383,389
Other noncurrent assets – net	60,750	-	8,400	17,039	4,816	(55,648)	35,357
Professional liabilities insurance recoveries receivable and related deposit – noncurrent	235,179	-	10,045	41,421	7,798	-	294,443
Loans receivable from Regional Hospitals - noncurrent	482,511	-	-	-	-	(482,511)	-
Beneficial interest in net assets held by related organizations – noncurrent	2,000,249	-	-	-	-	-	2,000,249
Total assets	$ 12,887,700	$ 45,790	$ 269,515	$ 699,089	$ 1,623,683	$ (599,178)	$ 14,926,599

The New York and Presbyterian Hospital

Unaudited Consolidating Statement of Financial Position (continued)

March 31, 2019

Consolidating Information (continued)

	Obligated Group		Non-Obligated Group NYP Community Programs, Inc.				
	NYPH	Other Entities	NYP/Hudson Valley	NYP/Queens	NYP/Brooklyn Methodist	Eliminations/ Reclasses	Consolidated
				(Unaudited)			
Liabilities and net assets							
Current liabilities:							
Long-term debt – current portion	$ 69,533	$ -	$ -	$ 5,162	$ 2,695	$ (29)	$ 77,361
Operating lease liability - current portion	35,394	1,779	1,837	9,776	$ 6,152	-	54,938
Loans payable to NYPH - current portion	-	-	2,813	5,026	1,089	(8,928)	-
Accounts payable and accrued expenses	619,486	23,390	21,573	68,124	86,148	-	818,721
Accrued salaries and related liabilities	319,817	5,223	14,617	23,608	66,713	-	429,978
Pension and postretirement benefit liabilities - current portion	24,295	-	-	1,129	448	-	25,872
Professional liabilities and other insurance liabilities - current portion	78,540	-	2,028	26,541	18,460	-	125,569
Other current liabilities	205,598	-	14	7,572	27,981	-	241,165
Due to related organizations - net	-	8,391	4,857	31,890	6,924	(52,062)	-
Total current liabilities	1,352,663	38,783	47,739	178,828	216,610	(61,019)	1,773,604
Long-term debt	2,671,303	-	-	28,784	22,410	(436)	2,722,061
Operating lease liability - noncurrent	222,536	9,964	5,640	44,686	45,625	-	328,451
Loans payable to NYPH	-	-	46,560	165,244	325,919	(537,723)	-
Professional liabilities and other insurance liabilities	381,522	-	14,263	91,549	196,422	-	683,756
Pension liability	187,337	-	-	2,864	11,035	-	201,236
Postretirement benefit liability	25,934	-	-	30,857	5,950	-	62,741
Other noncurrent liabilities	341,275	1,299	11,623	63,150	91,460	-	508,807
Total liabilities	5,182,570	50,046	125,825	605,962	915,431	(599,178)	6,280,656
Net assets:							
Net assets without donor restrictions	5,634,341	(4,708)	140,182	79,743	682,892	-	6,532,450
Net assets with donor restrictions	2,070,789	452	3,508	13,384	25,360	-	2,113,493
Total net assets	7,705,130	(4,256)	143,690	93,127	708,252	-	8,645,943
Total liabilities and net assets	$ 12,887,700	$ 45,790	$ 269,515	$ 699,089	$ 1,623,683	$ (599,178)	$ 14,926,599

The New York and Presbyterian Hospital

Unaudited Consolidating Statement of Operations

For the Three Months Ended March 31, 2019

Consolidating Information (continued)

The following table summarizes the unaudited consolidating statement of operations for the three months ended March 31, 2019 (in thousands):

	Obligated Group NYPH	Other Entities	Non-Obligated Group NYP Community Programs, Inc. NYP/Hudson Valley	NYP/Queens	NYP/Brooklyn Methodist	Eliminations /Reclasses	Consolidated
				(Unaudited)			
Operating revenues							
Net patient service revenue	$ 1,541,247	$ 11,452	$ 64,223	$ 210,666	$ 240,321		$ 2,067,909
Other revenue	74,562	12,657	2,846	11,363	7,144	(12,435)	96,137
Total operating revenues	1,615,809	24,109	67,069	222,029	247,465	(12,435)	2,164,046
Operating expenses							
Salaries and wages	719,299	14,790	34,414	111,002	118,339		997,844
Employee benefits	208,413	4,446	9,584	36,400	38,483		297,326
Supplies and other expenses	512,382	5,108	22,665	72,219	86,089	(12,435)	686,028
Interest and amortization of deferred financing fees	25,369	-	539	1,756	1,466		29,130
Depreciation and amortization	98,792	298	3,210	6,672	6,748		115,720
Total operating expenses	1,564,255	24,642	70,412	228,049	251,125	(12,435)	2,126,048
Operating income (loss)	51,554	(533)	(3,343)	(6,020)	(3,660)	-	37,998
Investment return	202,837	861	1,274	2,161	32,395	-	239,528
Excess (deficiency) of revenues over expenses	254,391	328	(2,069)	(3,859)	28,735	-	277,526
Other changes in net assets without donor restrictions:							
Net asset transfers (to) from related parties	(9,136)	-	-	6,482	-	-	(2,654)
Net assets transfer to restricted funds	(453)	-	-	-	-	-	(453)
Net assets released from restrictions for the purchase of fixed assets	-	(31)	-	-	-	-	(31)
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	49,260	-	-	-	-	-	49,260
Change in pension and postretirement benefit liabilities to be recognized in future periods	(24,362)	-	-	-	-	-	(24,362)
Change in net assets without donor restrictions	$ 269,700	297	(2,069)	$ 2,623	$ 28,735	$ -	$ 299,286

DISCLOSURE REPORT

DATED MAY 30, 2019

THE NEW YORK AND PRESBYTERIAN HOSPITAL

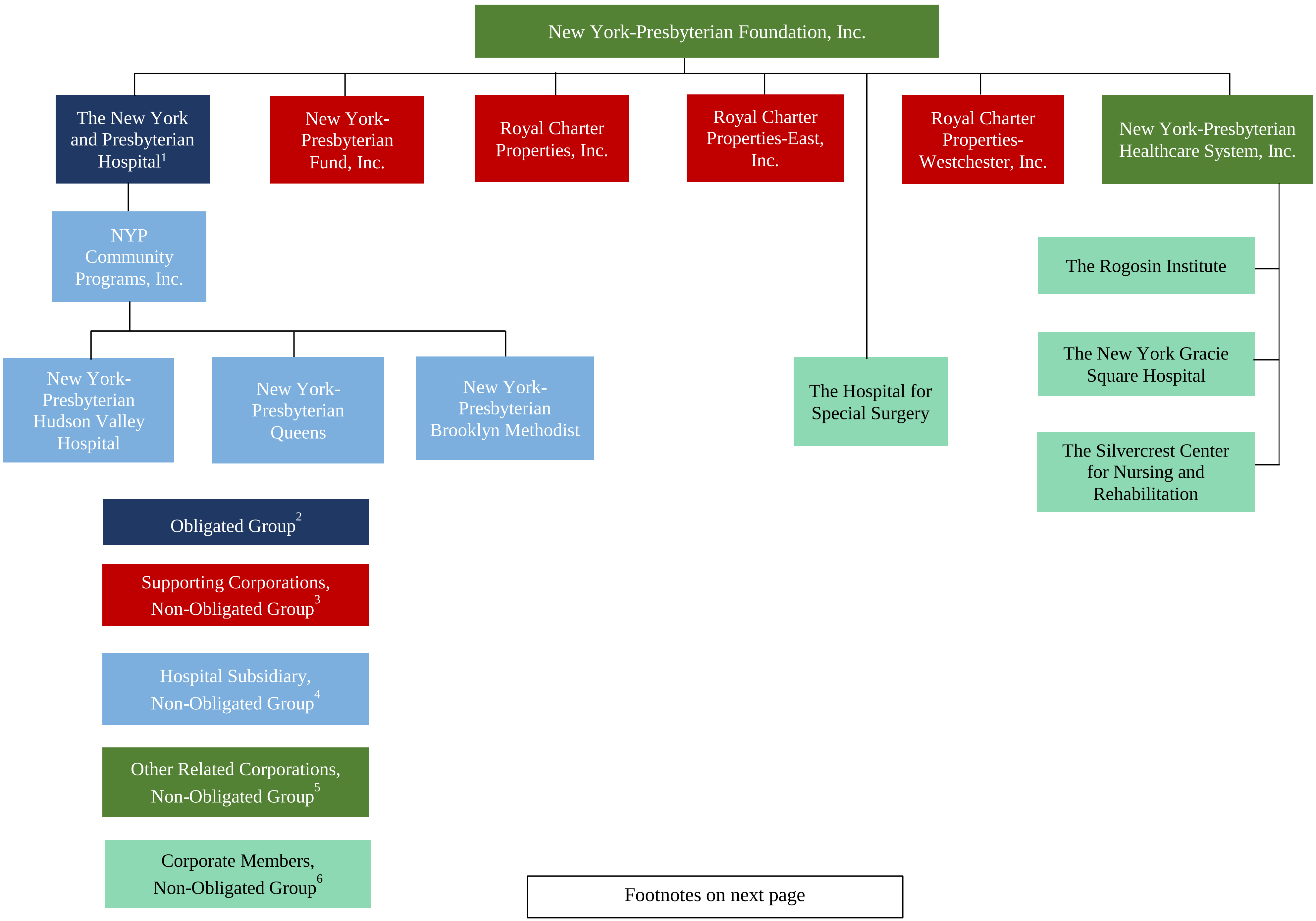
FOR

THE QUARTER ENDED

MARCH 31, 2019

Table of Contents

New York-Presbyterian Organizational Structure[1]



1. This chart does not include all entities which are included in the consolidated financial statements of The New York and Presbyterian Hospital (the "Hospital"). Among others, it does not include Lawrence Medical Associates, P.C. (d/b/a NewYork-Presbyterian Medical Group/Westchester) and Lawrence Care Inc. For additional information regarding these entities, see Note 1 to the Hospital's Unaudited Consolidated Financial Statements and Supplementary Information As of and For the Three Months Ended March 31, 2019.
2. In connection with the issuance of its Series 2015 Bonds in February 2015, the Hospital formed an Obligated Group under and as defined in its Master Trust Indenture. Currently, the Hospital, as legal entity separate from its subsidiaries, is the sole member of the Obligated Group. For a discussion of the Master Trust Indenture, the Obligated Group and the debt covered thereby, see "Introduction – Debt Structure – The MTI Indebtedness" on page 3 of this Disclosure Report.
3. For a discussion of the Supporting Corporations, see the third paragraph under the heading "Introduction – General" on page 1 of this Disclosure Report.
4. The Hospital subsidiaries are those entities under the control of the Hospital or one of its direct subsidiaries. These entities are part of the Hospital's consolidated group that is reported in the consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles. Entities included in the Hospital's consolidated financial statements, other than the Hospital, are not legally obligated on the Hospital's indebtedness.
5. These corporations coordinate membership in the Health Care System (as hereinafter defined). For additional details, see the third paragraph under the heading "Introduction - General" on page 1 of this Disclosure Report.
6. For a discussion of the Corporate Members, see the third paragraph under the heading "Introduction – General" on page 1 of this Disclosure Report.

Note: The Hospital is the only entity that is obligated with respect to repayment of its indebtedness, including its Series 2015 Bonds and its Series 2016 Bonds. None of the assets or revenue of any of the other entities described above is committed to the repayment of the Hospital's indebtedness.

FORWARD-LOOKING STATEMENTS

Certain statements in this disclosure report that relate to the Hospital are forward-looking statements that are based on the beliefs of, and assumptions made by, the management of the Hospital. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Hospital to be materially different from any expected future results or performance.

* * * * *

PREVIOUSLY REPORTED INFORMATION WITH RESPECT TO PRIOR PERIODS

Certain financial information and utilization data set forth herein with respect to past periods may differ from what the Hospital has previously reported in earlier disclosure documents. This is generally due to changes in accounting standards and related guidance, or the application of relevant accounting standards, that require a reclassification or restatement of certain items and to adjustments in utilization data that occur in the normal course of patient care or as services are billed and coded. See also, "NOTE REGARDING MERGER OF NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL INTO THE HOSPITAL" below.

* * * * *

The information contained in this disclosure report may include statistics and other data relating to the healthcare industry in the United States that have been derived from third party sources. Such statistics and data are not necessarily reflective of current or future industry and market conditions. While the Hospital has no reason to question the accuracy of such statistics and data, such statistics and data have not been independently verified by the Hospital.

NOTE REGARDING MERGER OF NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL INTO THE HOSPITAL

NewYork-Presbyterian/Lawrence Hospital ("Lawrence Hospital") became the Hospital's first indirect hospital subsidiary in July 2014. Effective April 1, 2018, Lawrence Hospital was merged into the Hospital. The Hospital now owns and operates the 288-bed acute care hospital ("NYP Lawrence") that was owned and operated by Lawrence Hospital prior to the merger. NYP Lawrence is located in Bronxville, Westchester County, New York.

The financial and operating data regarding the Hospital in this Disclosure Report have been adjusted to include the financial and operating results of Lawrence Hospital, as if the merger had occurred as of January 1, 2018.

INTRODUCTION

General

The New York and Presbyterian Hospital (the "Hospital"), a New York not-for-profit corporation created as a result of the January 1998 merger of The Society of The New York Hospital ("New York Hospital") and The Presbyterian Hospital in the City of New York ("Presbyterian Hospital"), operated at six campuses in Manhattan and Westchester County, New York, during the quarter ended March 31, 2018. As of April 1, 2018, with the merger of Lawrence Hospital into the Hospital, there is a seventh campus located in Westchester County. See, "NOTE REGARDING MERGER OF NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL INTO THE HOSPITAL" on page -iv-. The Hospital serves as the academic and quaternary care hub of a network of health care providers (the "Health Care System"), which, as of May 30, 2019, included 4 acute care hospitals, 2 long-term care facilities, 2 ambulatory sites and 2 specialty institutions, located in New York. Over the years the Hospital has developed its relationships with the members of the Health Care System as part of its strategic goal of providing high quality, integrated care throughout the tri-state New York metropolitan area (the "Metropolitan Area"). One of the country's largest academic medical centers, the Hospital ranked # 10 in the 2018-2019 U.S News and World Report annual ranking of the best hospitals in the United States, and was the top-ranked hospital in the Metropolitan Area. The Hospital has developed highly specific, patient-centered models of care to treat its diverse patient populations.

The Hospital is the primary clinical teaching facility for two of the country's leading medical colleges: The Joan and Sanford I. Weill Medical College of Cornell University ("Weill Cornell Medical School") and Columbia University College of Physicians and Surgeons ("Columbia University Medical School" and, together with Weill Cornell Medical School, the "Medical Schools").

New York-Presbyterian Foundation, Inc. ("NYPFI") is an affiliate that is linked to the Hospital through the Hospital's Board of Trustees. The Hospital also is affiliated with several entities that support the Hospital through fundraising and real estate holdings. These affiliated entities ("Supporting Corporations") include: (i) New York-Presbyterian Fund, Inc. ("Fund, Inc."), which solicits, receives, invests and administers philanthropic funds for the Hospital and other charitable organizations approved by the Board of Directors of Fund, Inc. and (ii) three real estate holding companies: Royal Charter Properties, Inc., Royal Charter Properties-East, Inc., and Royal Charter Properties-Westchester, Inc. (collectively, the "RCP Corporations"). Another affiliated entity, New York-Presbyterian Healthcare System, Inc. ("NYPHSI"), serves as the corporate link to a number of the hospitals and other entities that are referred to herein as "Corporate Members" of the Health Care System. NYP Community Programs, Inc. ("Community Programs" or "NYP Community Programs"), a subsidiary of the Hospital, serves as the parent entity of the Hospital's indirect hospital subsidiaries, NewYork Presbyterian/Brooklyn Methodist (d/b/a NewYork-Presbyterian/Brooklyn Methodist Hospital) ("NYP Brooklyn Methodist"), NewYork-Presbyterian/Queens ("NYP Queens") and Hudson Valley Hospital Center (d/b/a NewYork-Presbyterian/Hudson Valley Hospital) ("NYP Hudson Valley"), and served as the parent entity of Lawrence Hospital prior to April 1, 2018 when Lawrence Hospital was merged into the Hospital.

Hospital Campuses

The Hospital owns and operates one of the oldest hospitals in the nation. It has a history of over 225 years of providing medical care in the Metropolitan Area, with six of the seven campuses operated by the Hospital having roots dating back more than 100 years.

NewYork-Presbyterian/Weill Cornell Medical Center

NewYork-Presbyterian/Weill Cornell Medical Center ("NYP/Weill Cornell") occupies the city blocks bounded by East 68th Street to East 71st Street and from York Avenue to the East River, together with various buildings in the area. Portions of the buildings that comprise the Weill Cornell Campus are owned and/or occupied by Weill Cornell Medical School. The Hospital has 862 certified inpatient beds at its facilities at the NYP/Weill Cornell campus.

NewYork-Presbyterian Westchester Division

NewYork-Presbyterian Westchester Division ("NYP Westchester Division"), which has 265 certified beds, provides inpatient and outpatient psychiatric and behavioral health services.

NewYork-Presbyterian Lower Manhattan Hospital

NewYork-Presbyterian Lower Manhattan Hospital ("NYP Lower Manhattan"), is located at 170 William Street, Manhattan, and is the only acute care facility in Manhattan below 14th Street. It has 180 certified beds. NYP Lower Manhattan became part of the Hospital in July 2013 when New York Downtown Hospital, then a separate member of the Health Care System, was merged into the Hospital.

NewYork-Presbyterian/Columbia University Irving Medical Center

NewYork-Presbyterian/Columbia University Irving Medical Center ("NYP/Columbia") occupies the city blocks bounded by West 165th Street to West 168th Street and from Broadway to Riverside Drive, together with various other buildings in the area. Portions of the buildings that comprise NYP/Columbia are owned and/or occupied by Columbia University Medical School. The Hospital has 736 certified beds at its facilities on this campus.

NewYork-Presbyterian Morgan Stanley Children's Hospital

NewYork-Presbyterian Morgan Stanley Children's Hospital ("NYP Morgan Stanley") is a pediatric acute care and ancillary services facility with 286 certified beds, and is located on a site contiguous with the NYP/Columbia campus.

NewYork-Presbyterian Allen Hospital

NewYork-Presbyterian Allen Hospital ("NYP Allen") has 196 certified beds and is located at Broadway and the Harlem River in the Inwood section of Manhattan. It opened in 1988 under the sponsorship of Presbyterian Hospital and offers acute care to residents of its service area in a community-based setting.

NewYork-Presbyterian Lawrence Hospital

NewYork-Presbyterian Lawrence Hospital ("NYP Lawrence") has 288 certified beds and is located in Bronxville, New York. NYP Lawrence became part of the Hospital on April 1, 2018 when Lawrence Hospital, then a subsidiary of NYP Community Programs, was merged into the Hospital.

Debt Structure

The Hospital's long-term indebtedness can be categorized into four groups: (1) the FHA-Insured Indebtedness, (2) the Lower Manhattan Indebtedness, (3) the Master Trust Indenture (MTI) Indebtedness and (4) Other Indebtedness. As discussed below, the FHA-Insured Indebtedness and the Lower Manhattan Indebtedness are secured by mortgages on certain of the Hospital's facilities and pledges of revenues and accounts. The MTI Indebtedness is unsecured.

The FHA-Insured Indebtedness

The Hospital's FHA-Insured Indebtedness is secured by mortgages on NYP/Weill Cornell campus, the NYP/Columbia campus, NYP Morgan Stanley, NYP Allen and the NYP Westchester Division (the "FHA-Insured Mortgages"), and a pledge of revenues and accounts of the Hospital. Under the loan documents for the FHA-Insured Mortgages (the "FHA Loan Documents"), the Hospital is required to maintain certain debt service funds, including mortgage reserve funds. In addition, the Hospital is required to maintain debt service coverage and other financial ratios, and to obtain approval to incur additional debt above specified levels if certain covenant requirements are not met.

The terms and provisions of the FHA Loans Documents are solely for the benefit of the parties thereto and may be amended or waived in accordance with their terms, without the consent of or notice to any other creditors of the Hospital.

The Lower Manhattan Indebtedness

The Lower Manhattan Indebtedness relates to the Secured Hospital Revenue Refunding Bonds (New York Downtown Hospital), Series 2011, which were issued by the Dormitory Authority of the State of New York ("DASNY"). This debt is secured by a mortgage on the NYP Lower Manhattan facility (the "NYP Lower Manhattan Mortgage") and a security interest in the gross receipts and certain fixtures, furnishings and equipment of the Hospital. Pursuant to a Subordination Agreement, dated as of June 28, 2013 (the "DASNY Subordination Agreement"), DASNY agreed to subordinate its interest in the Hospital's gross receipts to the security interests granted under the FHA Loan Documents. In the event of a default under the NYP Lower Manhattan Mortgage loan documents, subject to the DASNY Subordination Agreement, DASNY is entitled to exercise certain rights as a secured party, including the right to accelerate the Lower Manhattan Indebtedness and foreclose on the lien of the NYP Lower Manhattan Mortgage. The proceeds of the exercise of any such rights would be applied to the payment of the NYP Lower Manhattan Indebtedness prior to the payment of any other indebtedness of the Hospital.

The MTI Indebtedness

The Hospital formed an Obligated Group under and as defined in the Master Trust Indenture, dated as of January 1, 2015 (the "Master Trust Indenture"), between the Hospital and TD Bank, N.A., as master trustee (the "Master Trustee"). Indebtedness evidenced by an Obligation issued under the Master Trust Indenture constitutes a joint and several obligation of the Hospital and any entity that may in the future become a Member of the Obligated Group (as defined in the Master Trust Indenture), subject to the right of a Member to withdraw from the Obligated Group upon meeting certain conditions set forth in the Master Trust Indenture. Currently, the Hospital is the only Member of the Obligated Group, and there are two Obligations issued under the Master Trust Indenture: (i) Obligation No. 1, which was issued to TD Bank, N.A., as bond trustee for the Hospital's Taxable Bonds, Series 2015 (the "Series 2015 Bonds"), and (ii) Obligation No. 2, which was issued to TD Bank, N.A., as bond trustee for the Hospital's Taxable Bonds, Series 2016 (the "Series 2016 Bonds"). The Series 2015 Bonds were issued on February 5, 2015 in the amount of $750.0 million. Obligation No. 1 was issued under and pursuant to the Master Trust Indenture and the Supplemental Master Indenture for Obligation No. 1, dated as of January 1, 2015 ("Supplemental Indenture No. 1"), between the Hospital and the Master Trustee. The Series 2016 Bonds were issued on June 28, 2016 in the amount of $850.0 million. Obligation No. 2 was issued under and pursuant to the Master Trust Indenture and the Supplemental Master Indenture for Obligation No. 2, dated as of June 1, 2016 ("Supplemental Indenture No. 2"), between the Hospital and the Master Trustee. Pursuant to Supplemental Indenture No. 1 and Supplemental Indenture No. 2, the Hospital has agreed not to withdraw from the Obligated Group as long as Obligation No. 1 or Obligation No. 2 remains outstanding.

The Master Indenture does not impose any financial or other tests as a condition to the issuance of additional Obligations, which may be issued from time to time without restriction. The Master Trust Indenture does not grant a security interest in or lien on any property or revenue of the Hospital or any future Members of the Obligated Group to secure the Obligations. Accordingly, Obligation No. 1 and Obligation No. 2 are unsecured. The Master Trust Indenture permits the Members of the Obligated Group to secure Indebtedness, including any additional Obligations, so long as the lien granted is a Permitted Lien under the Master Trust Indenture.

Other Indebtedness

The Hospital has various finance leases (formerly referred to as capital leases) totaling $86.7 million as of March 31, 2019, which are secured by the financed equipment.

In June 2017, the Hospital amended a line of credit agreement that was entered into in 2009 with a commercial bank and which had been renewed annually. The amount available under this line of credit was increased from $100.0 million to $200.0 million and the term was extended from 364 days to three years through June 30, 2020. In June 2018, the term was further extended through June 30, 2021. In August 2017, the Hospital obtained a line of credit with a second commercial bank. The amount available under this facility is $150.0 million and it has a term through August 15, 2021. Both lines of credit are unsecured. As of the date of this Disclosure Report, no draws have been made under either of these lines of credit.

In June 2017, the Hospital entered into a transaction pursuant to which the Hospital purchased a 30-year leasehold condominium interest (with an option to extend) in approximately 480,000 square feet of space located at 466 Lexington Avenue (the "Leasehold Condominium") to be used to consolidate corporate services. The new space replaced certain existing leased and owned office space. To finance the acquisition of the Leasehold Condominium, the Hospital issued to the seller a promissory note in the principal amount of $249.9 million (the "Promissory Note") which bears interest at a rate of 7% per annum. Interest payments for the period from July 2017 through December 2018 were deferred. The debt service terms require principal and interest payments in escalating amounts over the life of the note, ranging from $1.5 million to $2.5 million commencing January 2019 through December 2048. Unpaid interest incurred during the period accrues to the outstanding principal balance on the Promissory Note. Under this arrangement, the amount due will increase to an ultimate principal balance of $283.3 million in December 2023. As of March 31, 2019, the balance due includes the principal amount of the Promissory Note and accrued interest of $27.9 million, totaling $277.8 million. The Promissory Note is secured by a mortgage granted by the Hospital in its interest in the Leasehold Condominium. In connection with this transaction, the seller/landlord provided the Hospital with a tenant allowance for leasehold improvements of approximately $75.6 million. As of March 31, 2019 the balance remaining is $71.4 million, which was recorded in the Hospital's consolidated statements of financial position.

On April 1, 2018, in connection with the merger of Lawrence Hospital into the Hospital, the Hospital assumed a term loan made by a commercial bank to Lawrence Hospital with an outstanding principal amount at the time of the merger of $17.6 million. This loan, which had been secured by a mortgage on the facilities of Lawrence Hospital and other collateral, was modified in a number of respects, and is now an unsecured general obligation of the Hospital. The outstanding principal amount at March 31, 2019 was $15.5 million.

Upon the merger, the Hospital also assumed a $5.0 million revolving line of credit that had been extended to Lawrence Hospital. This line of credit, which supported a letter of credit issued on behalf of Lawrence Hospital in the amount of $2.4 million, was terminated effective April 15, 2019.

Effective April 1, 2019, the former Lawrence Hospital's $2.4 million letter of credit and two others related to the Hospital (one for $1.4 million and one for $9.5 million), all of which were issued in connection with a structural change to the Hospital's workers' compensation program, are now subject to an amended and restated reimbursement agreement with the letter of credit provider. As of the date of this Disclosure Report, no draws have been made under the letters of credit.

Effective April 1, 2019, the Hospital entered into a workers' compensation insurance program with a commercial insurer which includes a $1.0 million deductible per occurrence, as defined within the policy.

The Intercreditor Agreement

The U.S. Department of Housing and Urban Development, Prudential Huntoon Paige Associates, LLC, DASNY, the Master Trustee, the Series 2015 Bond Trustee and the Series 2016 Bond Trustee have entered into an intercreditor agreement (the "Intercreditor Agreement"). The Intercreditor Agreement provides for the cross-default under certain conditions of the FHA-Insured Indebtedness and the Lower Manhattan Indebtedness (collectively, the "Senior Debt") with the Series 2015 Bonds and the Series 2016 Bonds, and sets forth the terms as to the subordinate and junior nature of the Series 2015 Bonds and the Series 2016 Bonds with respect to the Senior Debt.

FINANCIAL AND OPERATING INFORMATION

Utilization

A summary of historical utilization data for the quarters ended March 31, 2019 and 2018 for the Hospital is presented in the following table. The table excludes entities (other than the Hospital), including, without limitation, Community Programs and its subsidiaries, the financial results, assets and liabilities of which are included in the Hospital's consolidated financial statements (collectively, the "Hospital's Consolidated Entities"). The data in the table below includes the operating results of NYP Lawrence, as if the merger of Lawrence Hospital into the Hospital had occurred as of January 1, 2018.

HISTORICAL UTILIZATION OF THE HOSPITAL

	Quarters Ended	
	3/31/2019	3/31/2018 [6]
Certified Beds (at end of period)	2,813	2,815
Staffed Beds (at end of period)	2,538	2,540
Discharges[1]	30,115	29,755
Patient Days[1]	190,692	195,783
Staffed Bed Days Available	233,496	233,680
Average Length of Stay (days)[2]	5.96	6.13
Case Mix Index – Medicare	2.03	2.04
Case Mix Index - Hospital wide[3]	1.65	1.61
Average Occupancy (%)[4]	81.7%	83.8%
Emergency Room Visits [5]	84,275	86,653
Outpatient Clinic Visits	157,628	161,001
Ambulatory Surgery Procedures	29,365	26,744
Mental Health Clinic Visits	27,657	28,477

Source: Hospital records.

1. Excludes newborns.
2. Excludes psychiatry, rehabilitation, normal newborn, uncoded and LOS greater than 300 days.
3. Hospital wide CMI is calculated using the payor specific cost weight (APR, AP or MSDRG).
4. Occupancy percentages based on staffed bed days available.
5. Includes only patients seen in the emergency room and not admitted.
6. Data for the quarter ended March 31, 2018 has been adjusted from the data reported in prior disclosure reports to reflect the merger of Lawrence Hospital into the Hospital as if the merger had occurred as of January 1, 2018.

Sources of Patient Service Revenue

The majority of patient services revenue received by the Hospital is derived from programs that are either insured or administered by third-party organizations. The following table reports the percentage of net patient service revenue by payor source for the quarters ended March 31, 2019 and 2018. The table excludes the Hospital's Consolidated Entities. The data in the table below reflects the net patient service revenue of NYP Lawrence, as if the merger of Lawrence Hospital into the Hospital had occurred as of January 1, 2018.

Percent of Hospital's Net Patient Service Revenue by Payor Source

	Quarters Ended	
	3/31/2019	3/31/2018 [3]
Payor		
Medicare[1]	24.6%	24.6%
Medicaid[1]	16.1%	18.4%
Commercial	58.8%	56.4%
Self Pay & Other	0.6%	0.6%
Total[2]	100%	100%

Source: Hospital records.

1. Medicare includes Medicare Advantage and Medicaid includes Medicaid Managed Care.
2. Totals may not foot due to rounding.
3. Data for the quarter ended March 31, 2018 has been adjusted from data reported in prior disclosure reports to reflect the merger of Lawrence Hospital into the Hospital as if the merger had occurred as of January 1, 2018.

The Hospital has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payors for adjustments to current and prior years' payment rates, based on industry-wide and Hospital-specific data. The current Medicaid, Medicare and other third-party payor programs are based upon extremely complex laws and regulations that are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled, audits are completed and additional information is obtained. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs.

Summary Statements of Operations and Financial Position

Summary statements of operations and financial position for the Hospital are set forth herein. These summary statements reflect financial results for the Hospital only. The unaudited information in the summary statements of operations for the quarters ended March 31, 2019 and 2018 and in the summary statements of financial position at March 31, 2019 are derived from the unaudited consolidated financial statements (the "1st Quarter 2019 Unaudited Financial Statements"). The summary statements of financial position at December 31, 2018 are derived from the Hospital's audited consolidated financial statements and supplementary information. The 1st Quarter 2019 Unaudited Financial Statements include the results of Hospital affiliates that are part of the Hospital's consolidated financial reporting. These consolidated financial statements also contain supplementary information setting forth consolidating statements of financial position and operations that present separately the financial results of the Hospital and the other members of the consolidated group. Such unaudited consolidated financial statements include all adjustments, consisting of normal recurring accruals, which the Hospital considers necessary for a fair presentation of the financial position and the results of operations for these periods. Certain amounts included in the Hospital's unaudited financial information are recorded based on annual estimates, are only updated annually, or are projected for interim financial reporting purposes; however, such amounts and estimates are subject to change and are reevaluated by the Hospital monthly and on an annual basis. The results for the quarter ended March 31, 2019 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2019.

The financial results of the Hospital's Consolidated Entities, including, without limitation, Community Programs, NYP Hudson Valley, NYP Queens and NYP Brooklyn Methodist are reflected in the consolidated financial statements of the Hospital. **However, the financial results and utilization data of these entities are not reflected in the information presented in this disclosure report. None of the Hospital's Consolidated Entities is a Member of the Obligated Group. None of these entities has any financial or other obligation under the Master Trust Indenture or any Bond Indenture to which the Hospital is a party, and none of their assets or revenue is legally committed to the repayment of any of the debt of the Hospital, including the Series 2015 Bonds, the Series 2016 Bonds, Obligation No. 1 or Obligation No. 2.**

Effective April 1, 2018, Lawrence Hospital was merged into the Hospital. The summary statements of operations and financial position of the Hospital set forth below include the results of NYP Lawrence as if the merger had occurred as of January 1, 2018. See, "NOTE REGARDING MERGER OF NEWYORK-PRESBYTERIAN/LAWRENCE HOSPITAL INTO THE HOSPITAL" on page -iv-.

SUMMARY STATEMENTS OF OPERATIONS
OF THE HOSPITAL

(In thousands)

	Unaudited	
	Quarters Ended	
	03/31/19	03/31/18 *(As Adjusted)* [1]
Operating Revenues		
Net patient service revenue	1,541,247	1,431,251
Other revenue	74,562	69,764
Total operating revenues	1,615,809	1,501,015
Operating Expenses		
Salaries and wages	719,299	674,055
Employee benefits	208,413	201,933
Supplies and other expenses	512,382	453,317
Interest and amortization of deferred financing fees	25,369	20,596
Depreciation and amortization	98,792	79,584
Total operating expenses	1,564,255	1,429,485
Operating income	51,554	71,530
Investment return, net	202,837	(16,768)
Excess of revenue over expenses	254,391	54,762
Other changes in net assets without donor restrictions[2]		
Net asset transfers to related parties	(9,136)	(208)
Net assets transfer to restricted funds	(453)	-
Distributions from New York-Presbyterian Fund, Inc. for the purchase of fixed assets	49,260	88,059
Change in pension and postretirement benefit liabilities to be recognized in future periods	(24,362)	27,313
Change in net assets without donor restrictions[2]	$ 269,700	$ 169,926

Source: Unaudited Consolidated Financial Statements of the Hospital for the Three Months ended March 31, 2019 and 2018. Amounts exclude the Hospital's Consolidated Entities.

Note: 1. Amounts for the quarter ended March 31, 2018 have been adjusted from amounts reported in prior disclosure reports to reflect the merger of Lawrence Hospital into the Hospital as if the merger had occurred as of January 1, 2018.

2. See Note 1 of the Audited Consolidated Financial Statements for the Year Ended December 31, 2018.

SUMMARY STATEMENTS OF FINANCIAL POSITION OF THE HOSPITAL

(In thousands)

	Unaudited March 31, 2019	**Audited** December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 350,236	$ 433,454
Short-term investments	1,702,476	1,637,750
Total cash, cash equivalents and short-term investments	2,052,712	2,071,204
Patient accounts receivable, net	830,359	756,803
Other current assets	204,737	185,940
Assets limited as to use - current portion	34,349	34,452
Professional liabilities insurance recoveries receivable and related deposit - current portion	76,162	76,162
Beneficial interest in net assets held by related organizations - current portion	63,045	60,735
Due from related organizations - net	53,215	19,415
Loans receivable from Regional Hospitals - current portion	8,957	8,052
Total current assets	3,323,536	3,212,763
Assets limited as to use - noncurrent	2,591,093	2,464,139
Property, buildings and equipment - net	3,936,452	3,900,931
Operating lease assets[1]	257,930	-
Other noncurrent assets - net	60,750	60,751
Loans receivable from Regional Hospitals - noncurrent	482,511	484,441
Professional liabilities insurance recoveries receivable and related deposit - noncurrent	235,179	235,179
Beneficial interest in net assets held by related organizations - noncurrent	2,000,249	1,962,300
Total assets	$ 12,887,700	$ 12,320,504

Source: Unaudited Consolidated Financial Statements of the Hospital for the Three Months Ended March 31, 2019 and Audited Consolidated Financial Statements of the Hospital for the Year Ended December 31, 2018. Supplementary information accompanying the Audited Financial Statements of the Hospital as of December 31, 2018 and Hospital records. Amounts exclude the Hospital's Consolidated Entities.
Note: 1. See Note 6 of the Unaudited Consolidated Financial Statements for the Three Months Ended March 31, 2019.

SUMMARY STATEMENTS OF FINANCIAL POSITION
OF THE HOSPITAL
(continued)

(In thousands)

	Unaudited March 31, 2019	Audited December 31, 2018
Liabilities and net assets		
Current liabilities:		
Long-term debt - current portion	$ 69,533	$ 69,328
Operating lease liability - current portion[1]	35,394	-
Accounts payable and accrued expenses	619,486	604,066
Accrued salaries and related liabilities	319,817	311,793
Pension and postretirement benefit liabilities - current portion	24,295	24,295
Professional liabilities and other - current portion	78,540	78,540
Other current liabilities	205,598	210,957
Total current liabilities	1,352,663	1,298,979
Long-term debt	2,671,303	2,686,333
Operating lease liability, long-term[1]	222,536	-
Professional liabilities and other	381,522	379,019
Pension liability	187,337	175,666
Postretirement benefit liability	25,934	26,285
Other noncurrent liabilities	341,275	359,491
Total liabilities	5,182,570	4,925,773
Net assets:		
Net assets without donor restrictions	5,634,341	5,364,640
Net assets with donor restrictions	2,070,789	2,030,091
Total net assets	7,705,130	7,394,731
Total liabilities and net assets	$ 12,887,700	$ 12,320,504

Source: Unaudited Consolidated Financial Statements of the Hospital for the Three Months Ended March 31, 2019 and Audited Consolidated Financial Statements of the Hospital for the Year Ended December 31, 2018. Supplementary information accompanying the Audited Financial Statements of the Hospital as of December 31, 2018 and Hospital records. Amounts exclude the Hospital's Consolidated Entities.
Note: 1. See Note 6 of the Unaudited Consolidated Financial Statements for the Three Months Ended March 31, 2019.

Liquidity

The following table sets forth the Hospital's days cash on hand based on unrestricted cash and investments and average daily operating expenses as of March 31, 2019 and December 31, 2018 derived from the Hospital's unaudited consolidated financial statements for the Three Months ended March 31, 2019 and audited consolidated financial statements for the year ended December 31, 2018. The table excludes the Hospital's Consolidated Entities. The amounts in the table below include the results of NYP Lawrence, as if the merger of Lawrence Hospital into the Hospital had occurred as of January 1, 2018.

DAYS CASH ON HAND OF THE HOSPITAL

($ in thousands)

	As of March 31, 2019	As of December 31, 2018
Unrestricted cash and investments [1]	$4,522,980	$4,408,035
Average daily operating expenses [2]	16,283	15,345
Days cash on hand[3]	**277.8**	**287.3**

1. Includes all cash and cash equivalents, short-term investments, funded depreciation investments, board designated funds required by the Department of Housing and Urban Development to be so designated in connection with the Hospital's 2013 FHA-insured mortgage loan and investments made with proceeds of the Series 2015 and 2016 Bonds, but excluding any donor restricted funds and other third party restricted funds.
2. Total operating expenses for the period less depreciation and amortization divided by 90.
3. Unrestricted cash and investments divided by average daily operating expenses.

The following table sets forth the Hospital's unrestricted cash and investments to long-term debt as of March 31, 2019 and December 31, 2018 derived from its unaudited consolidated financial statements for the Three Months ended March 31, 2019 and audited consolidated financial statements for the year ended December 31, 2018. The table excludes the Hospital's Consolidated Entities.

CASH TO DEBT OF THE HOSPITAL

($ in thousands)

	March 31, 2019	December 31, 2018
Unrestricted cash and investments [1]	$ 4,522,980	$ 4,408,035
Long-term debt:		
Bonds	$ 2,404,957	$ 2,419,958
Other long-term debt[2]	379,952	380,699
Total long-term debt	2,784,909	2,800,657
Less: Current portion of long-term debt[2]	(73,339)	(73,134)
Net long-term debt	2,711,570	2,727,523
Unrestricted cash and investments to Long-term debt	**166.8%**	**161.6%**

1. Includes all cash and cash equivalents, short-term investments, funded depreciation investments, board designated funds required by the Department of Housing and Urban Development to be so designated in connection with the Hospital's 2013 FHA-insured mortgage loan and investments made with proceeds of the Series 2015 and 2016 Bonds, but excluding any donor restricted funds and other third party restricted funds.
2. Includes the Promissory Note, term loan payable and capitalized leases excluding deferred financing costs which are reported net in current and long-term debt.

Long-Term Debt Service Coverage

The following table sets forth the debt service coverage based on pro-forma maximum annual debt service (as described below) for the Hospital for the quarter ended March 31, 2019 and year ended December 31, 2018. The table excludes the Hospital's Consolidated Entities. The amounts in the table below reflect the results of NYP Lawrence, as if the merger of Lawrence Hospital into the Hospital had occurred as of January 1, 2018.

LONG-TERM DEBT SERVICE COVERAGE
OF THE HOSPITAL

($ in thousands)

	Quarter Ended March 31, 2019	Year Ended December 31, 2018
Income available for debt service[1]:		
Change in net assets without donor restrictions	$ 269,700	$ 534,091
Depreciation and amortization	98,792	353,718
Interest expense	25,369	92,263
Net assets received from Fund, Inc. for the purchase of fixed assets	(49,260)	(299,635)
Change in unrealized gains and losses on investments	(37,330)	58,725
Equity in income on alternative investments	(169,252)	56,745
Change in pension liability to be recognized in future periods	24,362	4,360
Total	$ 162,381	$ 800,267
Annualized Total[2]	$ 649,524	
Pro-Forma		
Maximum annual debt service[3]	$ 218,615	$ 218,615
Pro-Forma Coverage	**3.0x**	**3.7x**

Notes: 1. Income available for debt service is determined in accordance with the Master Trust Indenture. Line items not relevant to these periods are omitted.
2. Results for the quarter ended March 31, 2019 are annualized.
3. Pro-Forma maximum annual debt service assumes level debt service on the Series 2015 Bonds over 30 years with the first principal payment in the fiscal year ended December 31, 2016, and assumes level debt service on the Series 2016 Bonds over 30 years with the first principal payment in the fiscal year ending December 31, 2017. In fact, the Series 2015 Bonds require no payment of principal until their maturity in 2045 and the Series 2016 Bonds require no payment of principal until the maturity of their first tranche in 2036.

Capitalization

The following table sets forth the historical capitalization of the Hospital as of March 31, 2019 and December 31, 2018. The table excludes the Hospital's Consolidated Entities.

CAPITALIZATION OF THE HOSPITAL

($ in thousands)

	March 31, 2019	December 31, 2018
Long-term debt:		
Bonds	$ 2,404,957	$ 2,419,958
Other long-term debt[1]	379,952	380,699
Total long-term debt	2,784,909	2,800,657
Less: Current portion of long-term debt[1]	(73,339)	(73,134)
Net long-term debt[1]	2,711,570	2,727,523
Unrestricted net assets	5,634,339	5,364,640
Total capitalization	8,345,909	8,092,163
Long-term debt to total capitalization	**32.5%**	**33.7%**

1. Includes the Promissory Note, term loan payable and capitalized leases and excludes deferred financing costs which are reported net in current and long-term debt.

Management's Discussion and Analysis of Utilization

Quarter ended March 31, 2019 compared to Quarter ended March 31, 2018

For the quarter ended March 31, 2019, the Hospital's inpatient discharges increased 360 cases or 1.2% compared to the same period in 2018. This increase was mainly in the Medicine, Neurosurgery, and Psychiatry services driven by new recruits and increasing emergency room admission rates.

Emergency Room visits decreased 2,378 or 2.7% compared to the same period in 2018 primarily due to a moderate flu season and disruptions to public transit limiting access to NYP/Columbia and NYP Morgan Stanley hospitals.

Outpatient Clinic visits decreased 3,373 or 2.1% compared to the same period in 2018 primarily due to volume declines in primary care offsite clinics as a result of construction to several facilities and Otolaryngology specialty clinic due to a change in clinical care protocol resulting in less clinical rotation time.

Ambulatory Surgery procedures increased 2,621 or 9.8% compared to the same period in 2018 primarily as a result of the opening of the NewYork-Presbyterian David H. Koch Center ("NYP David H. Koch Center"), a new ambulatory care facility at the Weill Cornell campus. Physician recruitments in Gastrointestinal, Colorectal, and Cardiology also contributed to this increase.

Mental Health Clinic visits decreased 820 or 2.9% compared to the same period in 2018, primarily resulting from the availability of quality providers, and a shift in clinical care protocol from group therapy sessions to one-on-one therapy sessions, partially offset by volume increases in the Autism program.

Management's Discussion and Analysis of Recent Financial Performance

Quarter ended March 31, 2019 compared to quarter ended March 31, 2018

For the quarter ended March 31, 2019, the Hospital had operating income of $51.6 million, a $20.0 million or 27.9% decrease compared to the same period in 2018 resulting from the increase in total operating expenses, 9.4%, exceeding the increase the total operating revenue, 7.6%. Excess of revenues over expenses was $254.4 million, which represented a $199.6 million or 364.5% increase over the same period in 2018. This increase was attributable to investment performance, which substantially offset the decrease in operating income.

For the quarter ended March 31, 2019, net patient service revenue increased $110.0 million or 7.7% over the same period in the previous year. This increase was driven primarily by an increase in inpatient volume, ambulatory surgery procedures, higher acuity and realizing higher payment rates compared with the same period in 2018.

For the quarter ended March 31, 2019, other revenue increased $4.8 million or 6.9% compared to the same period in 2018 primarily due to the increase in the distribution from one of the joint ventures and the liquidation of the Hospital's interest in a provider owned health insurance plan. For the quarter ended March 31, 2019, total operating expenses increased $134.8 million or 9.4% compared with the same period in the previous year. Salaries and wages, together with employee benefits, increased $51.7 million or 5.9% over the same period in the previous year. This increase was primarily a function of having 877 more full time equivalents to accommodate investments in bedside nursing, care coordination, information technology and innovation, expanded emergency services and the opening of the NYP David H. Koch Center, coupled with an increase in benefits and wages.

For the quarter ended March 31, 2019, supplies and other expenses increased $59.1 million or 13.0% over the previous year. This increase was primarily due to an increase in medical and surgical supplies resulting from higher inpatient volume and ambulatory surgery procedures and higher acuity, an increase in pharmaceuticals related to increase ambulatory oncology visits and the opening of the NYP David H. Koch Center. Depreciation and amortization expense increased $19.2 million or 24.1% reflecting the completion of a number of Hospital capital projects, mainly the NYP David H. Koch Center. Interest and amortization of deferred financing fees increased $4.8 million or 23.2% as a result of the financing in connection with the NYP David H. Koch Center.

For the quarter ended March 31, 2019, excess of revenue over expenses increased $199.6 million or 364.5% primarily due to investment returns.

For the quarter ended March 31, 2019, other changes in net assets without donor restrictions decreased $99.8 million or 86.7% primarily due to the change in discount rate of the pension and postretirement benefit liability and reductions to the distributions from Fund, Inc. for the purchase of fixed assets. The decrease in distributions from Fund, Inc. was primarily a result of the completion of the NYP David H. Koch Center in March 2018.

For the quarter ended March 31, 2019, change in net assets without donor restrictions increased $99.8 million or 58.7% as a result of the change in discount rate of the pension and postretirement benefit liability and the decrease in distribution from Fund, Inc. for the purchase of fixed assets.

Outstanding Long-term Indebtedness

A summary of long-term indebtedness of the Hospital as of March 31, 2019 and December 31, 2018 is set forth in the following table. The table excludes the Hospital's Consolidated Entities.

OUTSTANDING LONG-TERM INDEBTEDNESS OF THE HOSPITAL
(in thousands)

		Outstanding at	
Indebtedness	Maturity Date	**March 31, 2019**	**December 31, 2018**
FHA-Insured			
Mortgage Loan (fixed rate, taxable)	2025	$ 153,974	$ 159,250
Mortgage Loan (fixed rate, taxable)	2035	206,033	208,542
Mortgage Loan (fixed rate, taxable)	2038	432,435	435,881
MTI			
Series 2015 Bonds (fixed rate, taxable)	2045	750,000	750,000
Series 2016 Bonds (fixed rate, taxable)	2036	250,000	250,000
Series 2016 Bonds (fixed rate, taxable)	2056	350,000	350,000
Series 2016 Bonds (fixed rate, taxable)	2116	250,000	250,000
Lower Manhattan Hospital			
Dormitory Authority of the State of New York Secured Hospital Revenue Refunding Bonds, Series 2011 (fixed rate, tax-exempt)	2022	12,515	16,285
Other			
Promissory Note – 466 Lexington Avenue	2048	277,778	277,446
Term loan payable – Lawrence Hospital	2025	15,502	16,034
Finance Leases		86,672	87,219
Total		$ 2,784,909	$ 2,800,657
Add: Unamortized fair value adjustment related to NYP/Lower Manhattan acquisition		322	371
Less: Deferred financing cost, net of accumulated amortization		44,395	45,367
Total		$ 2,740,836	$ 2,755,661

The Hospital has unsecured lines of credit with two commercial banks with available credit totaling $350.0 million in the aggregate. The $200.0 million line expires on June 30, 2021 and the $150.0 million expires on August 15, 2021. No amounts have been drawn on either of these facilities. For further details, see "INTRODUCTION – Debt Structure – *Other Indebtedness*" on page 4 above.

See, "INTRODUCTION – Debt Structure – *Other Indebtedness*," above, for information regarding indebtedness the Hospital assumed in connection with the merger of Lawrence Hospital into the Hospital on April 1, 2018.

Investments

The following is a summary table of the Hospital's cash and investment assets as of March 31, 2019, which includes the Hospital's beneficial interest in net assets held by related organizations (the Hospital's interest in assets held by Fund, Inc.) and assets attributable to the Hospital's member capital account held in Hudson East River Systems, LLC ("HERS"), a pooled investment program through a limited liability company of which Fund, Inc. is the managing member. The table excludes assets invested in the Hospital's pension plans, as well as assets of the Hospital's Consolidated Entities.

CASH AND INVESTMENT ASSETS OF THE HOSPITAL

	Total Investment Assets	Beneficial Interest[2]	Hospital Assets[3]
Total (in billions)	$6.3	$1.6	$4.7
Cash	12%	9%	13%
Treasuries	11	6	13
Public Equity	27	30	25
Private Equity	12	21	9
Real Estate	7	9	7
Natural Resources	4	5	3
Hedge Funds	8	14	7
Credit	16	0	21
Uncorrelated Alpha	3	5	2
Total[1]	100%	100%	100%

Source: Hospital records.

1. Totals may not foot due to rounding
2. The beneficial interest component is almost entirely comprised of the Hospital's beneficial interest in Fund, Inc.
3. Includes the Hospital's interest in HERS.

For long-term funds, the Hospital has adopted a return-oriented, well-diversified asset allocation strategy. Results for the long-term investment funds have generally outperformed benchmarks.

The Hospital's investment assets, including the Hospital's beneficial interest in net assets held by related organizations, along with the assets invested in the Hospital's pension plans, comprise the majority of the investment assets under the purview of the Investment Committee and Investment Staff. The Hospital component in the table above includes investments limited as to use, including funded depreciation, funds held under loan agreements, and funded self-insurance. The Hospital component also includes short-term and cash equivalent investments maintained for purposes of operations and other needs of the Hospital, escrow funds, and other assets. Commencing April 1, 2018, certain Hospital investments are maintained in HERS. The table does not include investments held by the Hospital's pension plan, which are invested in a similar manner as other long-term assets of the Hospital.

The following table shows, as of March 31, 2019, the liquidity of the Hospital's investment portfolio, with 69% or $4.4 billion of assets accessible within one month. The table excludes assets of the Hospital Pension Plans and assets of the Hospital's Consolidated Entities.

LIQUIDITY OF HOSPITAL'S INVESTMENT PORTFOLIO

	Hospital Long-Term Fund	Hospital Current Investments	Total
1-5 Days	32%	100%	62%
6-31 Days	12	N/A	7
1-6 Months	13	N/A	7
7-12 Months	3	N/A	2
1-3 Years	4	N/A	2
3+ Years	35	N/A	20
Total[1]	100%	100%	100%

Source: Hospital records.

1. Totals may not foot due to rounding

The following table shows (i) the amount of investment assets of the Hospital under management as of March 31, 2019 and December 31, 2018, and (ii) the investment performance of the long-term portfolio through March 31, 2019. The table excludes assets invested in the Hospital's pension plans and assets of the Hospital's Consolidated Entities.

	As of March 31, 2019	As of December 31, 2018
Investment Assets Under Management (in billions)	$6.3	$6.2

	5 Year	3 Year	1 Year
Long-Term Portfolio Performance through 03/31/19	5.4%	8.2%	3.3%

Source: Hospital records.

Philanthropy

In 2007, after completing a $1.0 billion campaign three years ahead of schedule, the Hospital, through Fund, Inc., began the Quiet Phase of a $2.0 billion campaign. This campaign was publicly launched in 2012. As of March 31, 2019, approximately $1.6 billion in pledges and gifts have been made towards this campaign since its public launch date. When considering pledges and gifts received during the Quiet Phase of the campaign, as of March 31, 2019 the Hospital has received pledges and gifts of approximately $2.4 billion against the $2.0 billion campaign. An additional campaign has been launched to raise $300.0 million for the Alexandra Cohen Hospital for Women and Newborns. As of March 31, 2019, the Hospital has received pledges and gifts of $153.0 million for this campaign. The collection rate for pledges, based on recent history, approximates 100%.

Fund, Inc.

During the quarter ended March 31, 2019 and year ended December 31, 2018, Fund, Inc. distributed approximately $49.3 million and $299.6 million, respectively, for the purchase of fixed assets to the Hospital. Fund, Inc. holds certain assets on behalf the Hospital that are restricted and may only be used for the benefit of the Hospital. There is, however, no legal or contractual requirement that Fund, Inc. continue to make distributions of net assets without donor restrictions to the Hospital.

Capital Expenditures

For the quarter ended March 31, 2019 and year ended December 31, 2018, the Hospital (not including the Hospital's Consolidated Entities) incurred capital expenditures of $130.1 million and $607.1 million, respectively, for acquisition of property, building and equipment (net of disposals). These expenditures were funded from internally generated cash flow and donations. For the quarter ended March 31, 2019 and year ended December 31, 2018, Fund, Inc. received approximately $57.4 million and $276.9 million, respectively, (including $57.0 million and $271.7 million, respectively, specifically restricted for the Hospital) in new gifts and pledges from individuals, foundations and corporate donors for capital acquisitions and other purposes.

Royal Charter Properties

For the quarter ended March 31, 2019 and year ended December 31, 2018, the RCP Corporations had an aggregate net operating income of approximately $10.5 million and $46.5 million, respectively. Historically, each of the RCP Corporations has turned over its excess of revenue over expenses, less reasonable reserves, ("Excess Revenue") to the Hospital. For the quarter ended March 31, 2019 and year ended December 31, 2018, these amounts totaled $10.2 million and $31.8 million, respectively, and are included in other operating revenue in the Statements of Operations of the Hospital. However, the board of directors of each of the RCP Corporations has complete discretion within its stated corporate purposes with respect to the distribution of its Excess Revenue; there is no legal or contractual requirement that these amounts be distributed to the Hospital.