



**Northwell Health, Inc.**  
**Consolidated Financial Statements and Supplementary Information**  
**For the Three Months Ended March 31, 2021 and 2020**

<b><u>Contents:</u></b>	<b><u>Page</u></b>
 <b><u>Consolidated Financial Statements:</u></b>	
Consolidated Statements of Financial Position	1
Consolidated Statements of Operations	2
Consolidated Statements of Changes in Net Assets	3
Consolidated Statements of Cash Flows	4
 <b><u>Supplementary Information:</u></b>	
Consolidating Statement of Financial Position	5
Combining Statement of Financial Position - Northwell Health Obligated Group	6
Consolidating Statement of Financial Position - Phelps Memorial Hospital	7
Consolidating Statement of Financial Position - Northern Westchester Hospital	8
Consolidating Statement of Financial Position - Peconic Bay Medical Center	9
Combining Statement of Financial Position - Joint Venture Ambulatory Surgery Centers	10
Consolidating Statement of Operations	11
Combining Statement of Operations - Northwell Health Obligated Group	12
Consolidating Statement of Operations - Phelps Memorial Hospital	13
Consolidating Statement of Operations - Northern Westchester Hospital	14
Consolidating Statement of Operations - Peconic Bay Medical Center	15
Combining Statement of Operations - Joint Venture Ambulatory Surgery Centers	16
Utilization Statistics - Northwell Health Obligated Group	17
Payer Mix - Northwell Health Obligated Group	18
<b><u>Notes to Consolidated Financial Statements</u></b>	<b>19</b>

**Northwell Health, Inc.**

**Consolidated Statements of Financial Position**  
**March 31, 2021 and December 31, 2020 (In Thousands)**

	(Unaudited) March 31, 2021	(Audited) December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 761,527	\$ 830,955
Short-term investments	3,822,220	3,619,297
Accounts receivable for services to patients, net	1,351,901	1,276,235
Accounts receivable for physician activities, net	285,088	271,784
Current portion of pledges receivable	45,973	51,076
Current portion of insurance claims receivable	45,232	45,232
Other current assets	492,648	498,422
Total current assets	<u>6,804,589</u>	<u>6,593,001</u>
Long-term investments	4,116,609	3,970,226
Pledges receivable, net of current portion	94,721	100,339
Property, plant and equipment, net	5,902,615	5,858,662
Right-of-use assets – operating leases	949,049	942,817
Insurance claims receivable, net of current portion	136,067	136,067
Other assets	474,349	466,603
Total assets	<u><u>\$ 18,477,999</u></u>	<u><u>\$ 18,067,715</u></u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Short-term borrowings	\$ 95,000	\$ 95,000
Accounts payable and accrued expenses	1,165,123	1,082,632
Accrued salaries and related benefits	1,256,366	1,327,075
Current portion of operating lease obligations	134,616	132,289
Current portion of finance lease obligations	7,964	7,995
Current portion of long-term debt	58,568	58,924
Current portion of insurance claims liability	45,232	45,232
Current portion of malpractice and other insurance liabilities	187,269	187,777
Current portion of Medicare advances	542,940	374,408
Current portion of estimated payables to third-party payers	374,591	306,581
Total current liabilities	<u>3,867,669</u>	<u>3,617,913</u>
Accrued retirement benefits, net of current portion	788,004	755,697
Operating lease obligations, net of current portion	849,306	845,642
Finance lease obligations, net of current portion	248,457	250,069
Long-term debt, net of current portion	3,645,317	3,650,825
Insurance claims liability, net of current portion	136,067	136,067
Malpractice and other insurance liabilities, net of current portion	1,650,113	1,601,430
Medicare advances, net of current portion	487,289	655,821
Other long-term liabilities	894,447	908,630
Total liabilities	<u>12,566,669</u>	<u>12,422,094</u>
Commitments and contingencies		
Net assets:		
Without donor restrictions	5,117,512	4,861,852
With donor restrictions	793,818	783,769
Total net assets	<u>5,911,330</u>	<u>5,645,621</u>
Total liabilities and net assets	<u><u>\$ 18,477,999</u></u>	<u><u>\$ 18,067,715</u></u>

See accompanying notes.

**Northwell Health, Inc.**

**Consolidated Statements of Operations**  
**For the Three Months Ended March 31, 2021 and 2020 (In Thousands)**

	(Unaudited) 2021	(Unaudited) 2020
Operating revenue:		
Net patient service revenue	\$ 2,542,722	\$ 2,310,548
Physician practice revenue	587,413	515,421
Total patient revenue	3,130,135	2,825,969
CARES Act Provider Relief Fund revenue	22,128	-
Other operating revenue	306,042	238,431
Net assets released from restrictions used for operations	17,196	16,997
Total operating revenue	3,475,501	3,081,397
Operating expenses:		
Salaries	1,792,544	1,669,734
Employee benefits	427,570	403,973
Supplies and expenses	1,112,692	973,510
Depreciation and amortization	145,933	135,076
Interest	39,825	40,067
Total operating expenses	3,518,564	3,222,360
Deficiency of operating revenue over operating expenses	(43,063)	(140,963)
Non-operating gains and losses:		
Investment income	86,050	24,456
Change in net unrealized gains and losses and change in value of equity method investments	15,956	(584,162)
Change in fair value of interest rate swap agreements designated as derivative instruments	419	(580)
Non-operating net periodic benefit credit (cost)	924	(4,021)
Other non-operating gains and losses	194,031	(4,424)
Total non-operating gains and losses	297,380	(568,731)
Excess (deficiency) of revenue and gains and losses over expenses	254,317	(709,694)
Net assets released from restrictions for capital asset acquisitions	5,747	4,480
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,005	(1,354)
Other changes in net assets	(5,409)	(1,656)
Increase (decrease) in net assets without donor restriction	\$ 255,660	\$ (708,224)

See accompanying notes.

**Northwell Health, Inc.**

**Consolidated Statements of Changes in Net Assets**  
**For the Three Months Ended March 31, 2021 and 2020 (In Thousands)**

	(Unaudited)		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets, January 1, 2020	\$ 4,063,674	\$ 691,722	\$ 4,755,396
Contributions and grants	-	18,901	18,901
Investment income	-	2,685	2,685
Change in net unrealized gains and losses and change in value of equity method investments	-	(38,355)	(38,355)
Deficiency of revenue and gains and losses over expenses	(709,694)	-	(709,694)
Net assets released from restrictions for:			
Capital asset acquisitions	4,480	(4,480)	-
Operations	-	(16,997)	(16,997)
Non-operating activities	-	(3,459)	(3,459)
Change in fair value of interest rate swap agreements designated as cash flow hedges	(1,354)	-	(1,354)
Other changes in net assets	(1,656)	265	(1,391)
Decrease in net assets	(708,224)	(41,440)	(749,664)
Net assets, March 31, 2020	\$ 3,355,450	\$ 650,282	\$ 4,005,732

	(Unaudited)		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets, January 1, 2021	\$ 4,861,852	\$ 783,769	\$ 5,645,621
Contributions and grants	-	24,194	24,194
Investment income	-	5,782	5,782
Change in net unrealized gains and losses and change in value of equity method investments	-	4,496	4,496
Excess of revenue and gains and losses over expenses	254,317	-	254,317
Net assets released from restrictions for:			
Capital asset acquisitions	5,747	(5,747)	-
Operations	-	(17,196)	(17,196)
Non-operating activities	-	(1,593)	(1,593)
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,005	-	1,005
Other changes in net assets	(5,409)	113	(5,296)
Increase in net assets	255,660	10,049	265,709
Net assets, March 31, 2021	\$ 5,117,512	\$ 793,818	\$ 5,911,330

See accompanying notes.

**Northwell Health, Inc.**

**Consolidated Statements of Cash Flows**

**For the Three Months Ended March 31, 2021 and 2020 (In Thousands)**

	(Unaudited) <b>2021</b>	(Unaudited) <b>2020</b>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 265,709	\$ (749,664)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Permanent endowment donor contributions	(4,021)	(1,599)
Depreciation and amortization	145,933	135,076
Amortization of bond premiums, discounts and financing costs	(1,398)	(1,490)
Net realized gains and losses, change in net unrealized gains and losses and change in value of equity method investments	(102,900)	603,606
Change in fair value of interest rate swap agreements	(1,424)	1,934
Gain on sale of joint venture	(197,792)	-
Changes in operating assets and liabilities:		
Accounts receivable for services to patients, net	(75,666)	79,431
Accounts receivable for physician activities, net	(13,304)	10,150
Pledges receivable	10,513	13,589
Current portion of estimated payables to third party-payers	68,010	13,864
Accrued retirement benefits, net of current portion	32,307	(5,711)
Malpractice and other insurance liabilities	48,175	40,381
Net change in all other operating assets and liabilities	(3,190)	4,428
Net cash provided by operating activities	<u>170,952</u>	<u>143,995</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(189,886)	(198,509)
Net cash from sales of (invested in) short-term and long-term investments	70,971	(102,957)
Payments for acquisitions and clinical joint venture investments, net	-	(14,863)
Net cash used in investing activities	<u>(118,915)</u>	<u>(316,329)</u>
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt and finance lease obligations	(6,109)	(5,962)
Payments on short-term borrowings	(65,000)	(95,000)
Proceeds from short-term borrowings	65,000	275,000
Proceeds from permanent endowment donor contributions	4,229	3,031
Net cash (used in) provided by financing activities	<u>(1,880)</u>	<u>177,069</u>
Net increase in cash and cash equivalents (unrestricted and restricted)	50,157	4,735
Cash and cash equivalents (unrestricted and restricted), beginning of period	1,268,946	979,253
Cash and cash equivalents (unrestricted and restricted), end of period	<u>\$ 1,319,103</u>	<u>\$ 983,988</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the period for interest (exclusive of amount capitalized)	<u>\$ 4,187</u>	<u>\$ 4,399</u>

See accompanying notes.

Northwell Health, Inc.

Consolidating Statement of Financial Position  
March 31, 2021 (Unaudited and In Thousands)

	Northwell Health, Inc. Total	Eliminations	Northwell Health Obligated Group	Phelps Memorial Hospital Association and Subsidiaries	Northern Westchester Hospital Association and Subsidiaries	Peconic Bay Medical Center and Subsidiaries	John T. Mather Memorial Hospital and Subsidiary	The Long Island Home	Hospice Care Network	The Feinstein Institutes for Medical Research	Northwell Health Foundation	Northwell Health Laboratories	Captive Insurance Companies	Dolan Family Health Center	Health Insurance Companies	Joint Venture Ambulatory Surgery Centers	Other Northwell Health Entities
<b>Assets</b>																	
Current assets:																	
Cash and cash equivalents	\$761,527	\$-	\$491,912	\$1,595	\$5,569	\$43,509	\$113,040	\$10,044	\$12,732	\$-	\$23,128	\$-	\$1,410	\$83	\$14,212	\$14,911	\$29,382
Short-term investments	3,822,220	-	3,084,374	196,775	229,614	18,595	40,416	127	66,328	-	68,366	-	25,537	964	89,984	-	1,140
Accounts receivable for services to patients, net	1,351,901	-	1,155,942	36,031	41,935	30,447	53,609	6,651	6,077	-	-	-	-	458	-	8,947	11,804
Accounts receivable for physician activities, net	285,088	-	211,395	2,223	-	1,581	2,627	-	-	-	-	-	-	-	-	-	67,262
Current portion of pledges receivable	45,973	-	-	-	-	-	-	-	-	-	45,973	-	-	-	-	-	-
Current portion of insurance claims receivable	45,232	-	37,361	257	339	191	6,106	575	35	90	6	272	-	-	-	-	-
Other current assets	492,648	-	344,445	9,424	8,635	6,184	16,185	2,415	216	17,066	650	37,219	1,319	186	3,384	1,743	43,577
Total current assets	6,804,589	-	5,325,429	246,305	286,092	100,507	231,983	19,812	85,388	17,156	138,123	37,491	28,266	1,691	107,580	25,601	153,165
Due from affiliates, net	-	(522,342)	353,033	8,599	5,372	-	-	-	1,958	-	42,881	109,426	-	-	1,073	-	-
Long-term investments	4,116,609	(363,289)	3,810,763	35,774	50,905	11,948	18,741	-	2,991	115,771	121,466	-	222,130	9,344	14,122	-	65,943
Pledges receivable, net of current portion	94,721	-	-	452	7,671	-	-	-	870	-	84,089	-	-	-	-	-	1,639
Property, plant and equipment, net	5,902,615	-	4,794,638	184,543	217,642	155,316	106,521	43,454	1,039	48,032	900	83,365	-	313	-	25,705	241,147
Right-of-use assets – operating leases	949,049	(18,486)	645,697	4,682	9,567	18,615	9,942	-	5,879	16	895	7,758	-	-	-	22,350	242,134
Insurance claims receivable, net of current portion	136,067	(130,914)	233,357	3,475	2,778	652	14,947	1,127	103	266	17	569	9,690	-	-	-	-
Other assets	474,349	(146,324)	349,733	4,955	8,291	29,195	11,396	10,973	214	-	1,105	-	102	-	-	64,015	140,694
Total assets	\$18,477,999	(\$1,181,355)	\$15,512,650	\$488,785	\$588,318	\$316,233	\$393,530	\$75,366	\$98,442	\$181,241	\$389,476	\$238,609	\$260,188	\$11,348	\$122,775	\$137,671	\$844,722
<b>Liabilities and net assets (deficit)</b>																	
Current liabilities:																	
Short-term borrowings	\$95,000	\$-	\$95,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable and accrued expenses	1,165,123	-	864,812	21,601	30,015	17,224	18,879	3,824	2,690	18,358	448	107,568	863	165	2,835	7,068	68,773
Accrued salaries and related benefits	1,256,366	-	1,078,425	15,229	20,398	17,954	30,273	7,101	1,961	6,907	1,219	10,766	-	482	-	1,174	64,477
Current portion of operating lease obligations	134,616	(607)	86,269	1,221	1,476	2,013	3,705	-	1,755	16	62	1,708	-	-	-	1,814	35,184
Current portion of finance lease obligations	7,964	-	3,657	-	-	1,269	2,992	-	-	-	-	-	-	-	-	46	-
Current portion of long-term debt	58,568	-	47,645	2,002	3,864	1,730	2,410	-	-	-	-	-	-	-	-	917	-
Current portion of insurance claims liability	45,232	-	37,361	257	339	191	6,106	575	35	90	6	272	-	-	-	-	-
Current portion of malpractice and other insurance liabilities	187,269	-	150,714	1,836	4,800	1,796	2,082	504	-	-	-	-	25,537	-	-	-	-
Current portion of Medicare advances	542,940	-	438,015	16,061	12,195	18,233	31,847	2,338	11,275	-	-	5,900	-	-	-	2,229	4,847
Current portion of estimated payable to third-party payers	374,591	-	342,135	-	2,378	4,229	555	3,068	-	-	-	18,972	-	140	1,018	2,096	-
Total current liabilities	3,867,669	(607)	3,144,033	58,207	75,465	64,639	98,849	17,410	17,716	25,371	1,735	145,186	26,400	787	3,853	15,344	173,281
Due to affiliates, net	-	(544,833)	-	-	-	28,936	9,239	100,290	-	4,923	-	-	36,734	14,939	-	1,370	348,402
Accrued retirement benefits, net of current portion	788,004	-	677,180	5,120	30,769	-	74,018	554	200	-	-	-	-	-	163	-	-
Operating lease obligations, net of current portion	849,306	(17,879)	580,256	3,475	8,339	16,641	6,256	-	4,842	-	901	6,050	-	-	-	21,716	218,709
Finance lease obligations, net of current portion	248,457	-	242,420	-	-	161	5,829	-	-	-	-	-	-	-	-	47	-
Long-term debt, net of current portion	3,645,317	-	3,528,788	25,466	39,159	26,783	21,304	-	-	-	-	-	-	-	-	3,817	-
Insurance claims liability, net of current portion	136,067	(130,914)	233,357	3,475	2,778	652	14,947	1,127	103	266	17	569	9,690	-	-	-	-
Malpractice and other insurance liabilities, net of current portion	1,650,113	34,006	1,452,811	19,859	29,390	19,095	21,691	4,241	-	-	-	-	69,020	-	-	-	-
Medicare advances, net of current portion	487,289	-	413,540	16,612	12,418	19,135	25,584	-	-	-	-	-	-	-	-	-	-
Other long-term liabilities	894,447	-	863,688	7,523	5,834	7,441	1,946	-	-	28	5,169	1,304	-	-	-	-	1,514
Total liabilities	12,566,669	(660,227)	11,136,073	139,737	204,152	183,483	279,663	123,622	22,861	30,588	7,822	153,109	141,844	15,726	4,016	42,294	741,906
<b>Commitments and contingencies</b>																	
Net assets (deficit):																	
Without donor restrictions	5,117,512	(157,527)	3,847,146	337,077	333,769	115,191	111,841	(48,256)	73,132	17,775	18	85,500	118,344	(12,713)	118,759	95,377	82,079
With donor restrictions	793,818	(363,601)	529,431	11,971	50,397	17,559	2,026	-	2,449	132,878	381,636	-	-	8,335	-	-	20,737
Total net assets (deficit)	5,911,330	(521,128)	4,376,577	349,048	384,166	132,750	113,867	(48,256)	75,581	150,653	381,654	85,500	118,344	(4,378)	118,759	95,377	102,816
Total liabilities and net assets (deficit)	\$18,477,999	(\$1,181,355)	\$15,512,650	\$488,785	\$588,318	\$316,233	\$393,530	\$75,366	\$98,442	\$181,241	\$389,476	\$238,609	\$260,188	\$11,348	\$122,775	\$137,671	\$844,722

Northwell Health, Inc.

Combining Statement of Financial Position - Northwell Health Obligated Group  
March 31, 2021 (Unaudited and In Thousands)

	Total Obligated Group	Eliminations	Northwell Healthcare, Inc.	North Shore University Hospital	Long Island Jewish Medical Center	Staten Island University Hospital	Lenox Hill Hospital	South Shore University Hospital	Huntington Hospital Association	Glen Cove Hospital	Plainview Hospital	Northwell Health Stern Family Center for Rehabilitation
Assets												
Current assets:												
Cash and cash equivalents	\$491,912	\$-	\$51,699	\$76,895	\$47,157	\$161,384	\$151,542	\$88	\$1,352	\$83	\$1,179	\$533
Short-term investments	3,084,374	-	70,633	971,221	1,033,254	607,640	60,701	12,960	272,915	54,699	258	93
Accounts receivable for services to patients, net	1,155,942	-	-	274,190	389,160	147,765	161,269	77,938	51,791	21,951	22,010	9,868
Accounts receivable for physician activities, net	211,395	-	-	211,395	-	-	-	-	-	-	-	-
Current portion of insurance claims receivable	37,361	-	823	9,409	10,231	5,339	5,393	2,490	1,787	526	1,119	244
Other current assets	344,445	(3,000)	147,159	70,892	57,237	22,597	25,622	11,384	7,371	1,890	3,234	59
Total current assets	5,325,429	(3,000)	270,314	1,614,002	1,537,039	944,725	404,527	104,860	335,216	79,149	27,800	10,797
Due from affiliates, net	353,033	(26,378)	80,629	72,558	112,021	22,699	-	-	66,768	17,070	103	7,563
Long-term investments	3,810,763	-	2,594,207	315,868	519,708	188,853	97,677	22,475	40,246	12,435	3,109	16,185
Property, plant and equipment, net	4,794,638	-	1,049,588	537,440	1,269,520	281,105	1,005,262	385,079	160,304	46,107	51,945	8,288
Right-of-use assets – operating leases	645,697	-	254,517	127,195	62,246	55,428	100,801	21,193	11,777	1,645	10,895	-
Insurance claims receivable, net of current portion	233,357	-	1,723	58,807	74,142	39,111	21,120	13,329	14,543	4,578	5,492	512
Other assets	349,733	(5,115)	86,188	215,481	19,753	8,957	23,079	1,390	-	-	-	-
Total assets	\$15,512,650	(\$34,493)	\$4,337,166	\$2,941,351	\$3,594,429	\$1,540,878	\$1,652,466	\$548,326	\$628,854	\$160,984	\$99,344	\$43,345
Liabilities and net assets (deficit)												
Current liabilities:												
Short-term borrowings	\$95,000	\$-	\$-	\$30,000	\$65,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable and accrued expenses	864,812	-	285,171	160,227	151,053	69,475	86,415	57,419	26,929	14,193	12,486	1,444
Accrued salaries and related benefits	1,078,425	-	482,461	169,178	193,143	58,006	76,502	44,532	28,451	8,462	15,678	2,012
Current portion of operating lease obligations	86,269	-	34,575	18,885	10,275	6,428	9,412	2,981	2,484	161	1,068	-
Current portion of finance lease obligations	3,657	-	1,921	171	945	118	255	157	90	-	-	-
Current portion of long-term debt	47,645	-	16,604	5,419	18,403	4,000	1,820	65	65	350	634	285
Current portion of insurance claims liability	37,361	-	823	9,409	10,231	5,339	5,393	2,490	1,787	526	1,119	244
Current portion of malpractice and other insurance liabilities	150,714	-	45,780	28,782	32,160	16,302	11,469	7,680	5,064	1,412	2,065	-
Current portion of Medicare advances	438,015	-	-	132,812	111,132	56,193	51,001	31,958	28,135	9,038	15,061	2,685
Current portion of estimated payable to third-party payers	342,135	-	-	132,907	166,423	721	18,860	8,311	2,935	3,080	5,169	3,729
Total current liabilities	3,144,033	-	867,335	687,790	758,765	216,582	261,127	155,593	95,940	37,222	53,280	10,399
Due to affiliates, net	-	(151,172)	-	-	-	-	15,535	135,637	-	-	-	-
Accrued retirement benefits, net of current portion	677,180	-	419,574	75,796	31,692	721	60,967	32,093	43,897	3,536	7,722	1,182
Operating lease obligations, net of current portion	580,256	-	216,551	112,457	53,600	61,458	96,375	18,890	9,344	1,484	10,097	-
Finance lease obligations, net of current portion	242,420	-	161,453	549	68,236	251	10,963	642	326	-	-	-
Long-term debt, net of current portion	3,528,788	-	2,165,329	129,554	803,662	97,362	109,121	127,165	85,453	5,834	4,318	990
Insurance claims liability, net of current portion	233,357	-	1,723	58,807	74,142	39,111	21,120	13,329	14,543	4,578	5,492	512
Malpractice and other insurance liabilities, net of current portion	1,452,811	-	225,450	325,275	370,687	185,830	158,761	90,332	57,861	15,548	23,067	-
Medicare advances, net of current portion	413,540	-	-	113,731	105,794	57,025	51,092	31,960	28,316	10,562	15,060	-
Other long-term liabilities	863,688	-	168,058	137,821	286,192	56,482	68,574	66,939	32,687	28,764	17,446	725
Total liabilities	11,136,073	(151,172)	4,225,473	1,641,780	2,552,770	714,822	853,635	672,580	368,367	107,528	136,482	13,808
Commitments and contingencies												
Net assets (deficit):												
Without donor restrictions	3,847,146	116,679	111,693	1,122,913	873,669	815,572	676,993	(135,363)	238,965	37,558	(40,139)	28,606
With donor restrictions	529,431	-	-	176,658	167,990	10,484	121,838	11,109	21,522	15,898	3,001	931
Total net assets (deficit)	4,376,577	116,679	111,693	1,299,571	1,041,659	826,056	798,831	(124,254)	260,487	53,456	(37,138)	29,537
Total liabilities and net assets (deficit)	\$15,512,650	(\$34,493)	\$4,337,166	\$2,941,351	\$3,594,429	\$1,540,878	\$1,652,466	\$548,326	\$628,854	\$160,984	\$99,344	\$43,345

Northwell Health, Inc.

Consolidating Statement of Financial Position - Phelps Memorial Hospital  
March 31, 2021 (Unaudited and In Thousands)

	Phelps Memorial Hospital Association and Subsidiaries	Eliminations	Phelps Memorial Hospital Association	Phelps Professional Building Co.	Phelps Medical Associates
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$1,595	\$-	\$435	\$994	\$166
Short-term investments	196,775	-	196,775	-	-
Accounts receivable for services to patients, net	36,031	-	36,031	-	-
Accounts receivable for physician activities, net	2,223	-	703	-	1,520
Current portion of insurance claims receivable	257	-	257	-	-
Other current assets	9,424	-	7,674	67	1,683
Total current assets	246,305	-	241,875	1,061	3,369
Due from affiliates, net	8,599	-	7,429	1,170	-
Long-term investments	35,774	-	35,774	-	-
Pledges receivable, net of current portion	452	-	452	-	-
Property, plant and equipment, net	184,543	-	173,683	8,359	2,501
Right-of-use assets – operating leases	4,682	-	1,395	-	3,287
Insurance claims receivable, net of current portion	3,475	-	3,475	-	-
Other assets	4,955	(373)	5,328	-	-
Total assets	\$488,785	(\$373)	\$469,411	\$10,590	\$9,157
<b>Liabilities and net assets (deficit)</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$21,601	\$-	\$20,919	\$30	\$652
Accrued salaries and related benefits	15,229	-	12,003	-	3,226
Current portion of operating lease obligations	1,221	-	422	-	799
Current portion of long-term debt	2,002	-	1,779	223	-
Current portion of insurance claims liability	257	-	257	-	-
Current portion of malpractice and other insurance liabilities	1,836	-	1,836	-	-
Current portion of Medicare advances	16,061	-	16,061	-	-
Total current liabilities	58,207	-	53,277	253	4,677
Accrued retirement benefits, net of current portion	5,120	-	5,120	-	-
Operating lease obligations, net of current portion	3,475	-	987	-	2,488
Long-term debt, net of current portion	25,466	-	23,020	2,446	-
Insurance claims liability, net of current portion	3,475	-	3,475	-	-
Malpractice and other insurance liabilities, net of current portion	19,859	-	19,859	-	-
Medicare advances, net of current portion	16,612	-	16,612	-	-
Other long-term liabilities	7,523	-	7,523	-	-
Total liabilities	139,737	-	129,873	2,699	7,165
Commitments and contingencies					
Net assets (deficit):					
Without donor restrictions	337,077	(373)	327,567	7,891	1,992
With donor restrictions	11,971	-	11,971	-	-
Total net assets (deficit)	349,048	(373)	339,538	7,891	1,992
Total liabilities and net assets (deficit)	\$488,785	(\$373)	\$469,411	\$10,590	\$9,157



**Northwell Health, Inc.**

**Consolidating Statement of Financial Position - Northern Westchester Hospital  
March 31, 2021 (Unaudited and In Thousands)**

	<b>Northern Westchester Hospital Association and Subsidiaries</b>	<b>Eliminations</b>	<b>Northern Westchester Hospital Association</b>	<b>Northern Westchester Hospital Center Foundation</b>	<b>Other Subsidiaries</b>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$5,569	\$-	\$5,113	\$-	\$456
Short-term investments	229,614	-	229,614	-	-
Accounts receivable for services to patients, net	41,935	-	41,935	-	-
Current portion of insurance claims receivable	339	-	339	-	-
Other current assets	8,635	-	8,635	-	-
Total current assets	\$286,092	-	285,636	-	456
Due from affiliates, net	5,372	(3,632)	9,004	-	-
Long-term investments	50,905	-	8,389	42,516	-
Pledges receivable, net of current portion	7,671	-	-	7,671	-
Property, plant and equipment, net	217,642	-	205,000	112	12,530
Right-of-use assets – operating leases	9,567	-	9,567	-	-
Insurance claims receivable, net of current portion	2,778	-	2,778	-	-
Other assets	8,291	-	6,506	-	1,785
Total assets	\$588,318	(\$3,632)	\$526,880	\$50,299	\$14,771
<b>Liabilities and net assets (deficit)</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$30,015	\$-	\$29,935	\$32	\$48
Accrued salaries and related benefits	20,398	-	20,326	72	-
Current portion of operating lease obligations	1,476	-	1,476	-	-
Current portion of long-term debt	3,864	-	3,864	-	-
Current portion of insurance claims liability	339	-	339	-	-
Current portion of malpractice and other insurance liabilities	4,800	-	4,800	-	-
Current portion of Medicare advances	12,195	-	12,195	-	-
Current portion of estimated payable to third-party payers	2,378	-	2,378	-	-
Total current liabilities	\$75,465	\$-	\$75,313	\$104	48
Due to affiliates, net	-	(3,632)	-	236	3,396
Accrued retirement benefits, net of current portion	30,769	-	30,769	-	-
Operating lease obligations, net of current portion	8,339	-	8,339	-	-
Long-term debt, net of current portion	39,159	-	39,159	-	-
Insurance claims liability, net of current portion	2,778	-	2,778	-	-
Malpractice and other insurance liabilities, net of current portion	29,390	-	29,390	-	-
Medicare advances, net of current portion	12,418	-	12,418	-	-
Other long-term liabilities	5,834	-	4,532	-	1,302
Total liabilities	204,152	(3,632)	202,698	340	4,746
Commitments and contingencies					
Net assets (deficit):					
Without donor restrictions	333,769	-	323,207	537	10,025
With donor restrictions	50,397	-	975	49,422	-
Total net assets (deficit)	384,166	-	324,182	49,959	10,025
Total liabilities and net assets (deficit)	\$588,318	(\$3,632)	\$526,880	\$50,299	\$14,771

**Northwell Health, Inc.**

**Consolidating Statement of Financial Position - Peconic Bay Medical Center  
March 31, 2021 (Unaudited and In Thousands)**

	<b>Peconic Bay Medical Center and Subsidiaries</b>	<b>Eliminations</b>	<b>Peconic Bay Medical Center</b>	<b>Physician Practices</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$43,509	\$-	\$41,292	\$2,217
Short-term investments	18,595	-	18,595	-
Accounts receivable for services to patients, net	30,447	-	30,447	-
Accounts receivable for physician activities, net	1,581	-	1,318	263
Current portion of insurance claims receivable	191	-	191	-
Other current assets	6,184	-	5,983	201
Total current assets	100,507	-	97,826	2,681
Long-term investments	11,948	-	11,948	-
Property, plant and equipment, net	155,316	-	152,163	3,153
Right-of-use assets – operating leases	18,615	-	18,615	-
Insurance claims receivable, net of current portion	652	-	652	-
Other assets	29,195	-	28,869	326
Total assets	\$316,233	\$-	\$310,073	\$6,160
<b>Liabilities and net assets</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$17,224	(\$565)	\$17,789	\$-
Accrued salaries and related benefits	17,954	-	16,162	1,792
Current portion of operating lease obligations	2,013	-	2,013	-
Current portion of finance lease obligations	1,269	-	1,269	-
Current portion of long-term debt	1,730	-	1,730	-
Current portion of insurance claims liability	191	-	191	-
Current portion of malpractice and other insurance liabilities	1,796	-	1,796	-
Current portion of Medicare advances	18,233	-	18,233	-
Current portion of estimated payable to third-party payers	4,229	-	4,229	-
Total current liabilities	64,639	(565)	63,412	1,792
Due to affiliates, net	28,936	-	25,638	3,298
Operating lease obligations, net of current portion	16,641	-	16,641	-
Finance lease obligations, net of current portion	161	-	161	-
Long-term debt, net of current portion	26,783	-	26,783	-
Insurance claims liability, net of current portion	652	-	652	-
Malpractice and other insurance liabilities, net of current portion	19,095	-	19,095	-
Medicare advances, net of current portion	19,135	-	19,135	-
Other long-term liabilities	7,441	-	7,441	-
Total liabilities	183,483	(565)	178,958	5,090
Commitments and contingencies				
Net assets:				
Without donor restrictions	115,191	565	113,556	1,070
With donor restrictions	17,559	-	17,559	-
Total net assets	132,750	565	131,115	1,070
Total liabilities and net assets	\$316,233	\$-	\$310,073	\$6,160

**Northwell Health, Inc.**

**Combining Statement of Financial Position - Joint Venture Ambulatory Surgery Centers  
March 31, 2021 (Unaudited and In Thousands)**

	Joint Venture Ambulatory Surgery Centers	Endoscopy Center of Long Island	Endo Group LLC	South Shore Surgery Center	Suffolk Surgery Center	Digestive Health Center of Huntington	Greenwich Village Surgery Center	Melville Surgery Center
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$14,911	\$7,507	\$1,506	\$1,007	\$1,153	\$645	\$774	\$2,319
Accounts receivable for services to patients, net	8,947	-	1,543	1,159	1,034	1,091	489	3,631
Other current assets	1,743	109	-	463	418	140	30	583
Total current assets	25,601	7,616	3,049	2,629	2,605	1,876	1,293	6,533
Property, plant and equipment, net	25,705	347	5,841	2,280	204	26	16,378	629
Right-of-use leased assets	22,350	784	18,577	2,826	-	-	-	163
Other assets	64,015	29,939	6,928	4,143	5,358	4,236	-	13,411
Total assets	\$137,671	\$38,686	\$34,395	\$11,878	\$8,167	\$6,138	\$17,671	\$20,736
<b>Liabilities and net assets</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$7,068	\$2,098	\$1,989	\$700	\$209	\$95	\$1,101	\$876
Accrued salaries and related benefits	1,174	289	276	133	114	82	20	260
Current portion of operating lease obligations	1,814	437	805	290	-	-	-	282
Current portion of finance lease obligations	46	-	-	6	-	-	-	40
Current portion of long-term debt	917	-	885	-	32	-	-	-
Current portion of Medicare advances	2,229	275	953	183	269	158	51	340
Current portion of estimated payable to third-party payers	2,096	-	840	441	-	219	-	596
Total current liabilities	15,344	3,099	5,748	1,753	624	554	1,172	2,394
Due to affiliates, net	1,370	548	242	30	347	83	-	120
Operating lease obligations, net of current portion	21,716	347	18,833	2,536	-	-	-	-
Finance lease obligations, net of current portion	47	-	-	-	-	-	-	47
Long-term debt, net of current portion	3,817	-	3,750	-	29	38	-	-
Total liabilities	42,294	3,994	28,573	4,319	1,000	675	1,172	2,561
Commitments and contingencies								
Net assets:								
Without donor restrictions	95,377	34,692	5,822	7,559	7,167	5,463	16,499	18,175
Total net assets	95,377	34,692	5,822	7,559	7,167	5,463	16,499	18,175
Total liabilities and net assets	\$137,671	\$38,686	\$34,395	\$11,878	\$8,167	\$6,138	\$17,671	\$20,736

Consolidating Statement of Operations  
For the Three Months Ended March 31, 2021 (Unaudited and In Thousands)

	Northwell Health, Inc. Total	Eliminations	Northwell Health Obligated Group	Phelps Memorial Hospital Association and Subsidiaries	Northern Westchester Hospital Association and Subsidiaries	Peconic Bay Medical Center and Subsidiaries	John T. Mather Memorial Hospital and Subsidiary	The Long Island Home	Hospice Care Network	The Feinstein Institutes for Medical Research	Northwell Health Foundation	Northwell Health Laboratories	Captive Insurance Companies	Dolan Family Health Center	Health Insurance Companies	Joint Venture Ambulatory Surgery Centers	Other Northwell Health Entities
Operating revenue:																	
Net patient service revenue	\$2,542,722	(\$284)	\$2,154,158	\$78,024	\$84,221	\$64,520	\$94,932	\$20,432	\$12,895	\$-	\$-	\$-	\$-	\$1,175	\$-	\$17,841	\$14,808
Physician practice revenue	587,413	(15,610)	345,723	7,022	528	7,144	9,117	294	82	-	-	-	-	-	-	-	233,113
Total patient revenue	3,130,135	(15,894)	2,499,881	85,046	84,749	71,664	104,049	20,726	12,977	-	-	-	-	1,175	-	17,841	247,921
CARES Act Provider Relief Fund revenue	22,128	-	-	1,368	-	35	1,113	-	-	-	-	-	-	-	-	3,407	16,205
Other operating revenue	306,042	(328,919)	260,711	3,662	1,346	1,560	1,346	364	27	18,498	-	193,242	2,893	787	-	1,119	149,406
Net assets released from restrictions used for operations	17,196	-	12,928	60	354	387	-	-	239	3,140	-	-	-	88	-	-	-
Total operating revenue	3,475,501	(344,813)	2,773,520	90,136	86,449	73,646	106,508	21,090	13,243	21,638	-	193,242	2,893	2,050	-	22,367	413,532
Operating expenses:																	
Salaries	1,792,544	(61,060)	1,424,315	46,436	38,348	37,329	51,748	14,267	5,395	18,220	-	34,508	-	1,290	22	4,121	177,605
Employee benefits	427,570	(46,262)	364,390	8,485	10,068	11,833	11,077	6,580	2,037	5,901	-	12,330	-	535	6	887	39,703
Supplies and expenses	1,112,692	(237,491)	872,143	30,773	27,024	24,685	34,877	3,416	4,686	7,220	-	129,339	2,893	469	(28)	10,066	202,620
Depreciation and amortization	145,933	-	117,350	4,491	5,075	3,080	3,802	690	88	1,931	-	1,820	-	17	-	873	6,716
Interest	39,825	-	38,570	224	271	376	319	-	-	-	-	-	-	-	-	65	-
Total operating expenses	3,518,564	(344,813)	2,816,768	90,409	80,786	77,303	101,823	24,953	12,206	33,272	-	177,997	2,893	2,311	-	16,012	426,644
(Deficiency) excess of operating revenue over operating expenses	(43,063)	-	(43,248)	(273)	5,663	(3,657)	4,685	(3,863)	1,037	(11,634)	-	15,245	-	(261)	-	6,355	(13,112)
Non-operating gains and losses:																	
Investment income	86,050	-	77,997	1,639	3,209	174	213	4	907	4	987	(5)	433	-	460	(68)	96
Change in net unrealized gains and losses and change in value of equity method investments	15,956	-	13,644	55	223	-	413	-	86	(4)	68	-	2,714	-	(2,337)	-	1,094
Change in interest in acquired entities	-	(5,140)	5,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of interest rate swap agreements designated as derivative instruments	419	-	-	-	-	-	419	-	-	-	-	-	-	-	-	-	-
Non-operating net periodic benefit (cost) credit	924	-	260	1	(122)	128	(12)	617	3	6	(14)	14	-	11	-	-	32
Other non-operating gains and losses	194,031	-	115,214	24	(102)	-	-	-	28	-	(3,743)	-	-	-	-	-	82,610
Total non-operating gains and losses	297,380	(5,140)	212,255	1,719	3,208	302	1,033	621	1,024	6	(2,702)	9	3,147	11	(1,877)	(68)	83,832
Excess (deficiency) of revenue and gains and losses over expenses	254,317	(5,140)	169,007	1,446	8,871	(3,355)	5,718	(3,242)	2,061	(11,628)	(2,702)	15,254	3,147	(250)	(1,877)	6,287	70,720
Net assets released from restrictions for capital asset acquisitions	5,747	-	1,597	52	4,078	-	3	-	-	17	-	-	-	-	-	-	-
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,005	-	-	-	39	957	9	-	-	-	-	-	-	-	-	-	-
Transfers (to) from affiliates	-	-	248,270	-	-	1,605	-	-	-	11,615	2,720	-	-	-	-	2,152	(266,362)
Other changes in net assets	(5,409)	6,358	-	(912)	-	-	-	-	-	-	-	-	-	-	-	(9,688)	(1,167)
Increase (decrease) in net assets without donor restrictions	\$255,660	\$1,218	\$418,874	\$586	\$12,988	(\$793)	\$5,730	(\$3,242)	\$2,061	\$4	\$18	\$15,254	\$3,147	(\$250)	(\$1,877)	(\$1,249)	(\$196,809)

Northwell Health, Inc.

Combining Statement of Operations - Northwell Health Obligated Group  
For the Three Months Ended March 31, 2021 (Unaudited and In Thousands)

	Total Obligated Group	Eliminations	Northwell Healthcare, Inc.	North Shore University Hospital	Long Island Jewish Medical Center	Staten Island University Hospital	Lenox Hill Hospital	South Shore University Hospital	Huntington Hospital Association	Glen Cove Hospital	Plainview Hospital	Northwell Health Stern Family Center for Rehabilitation
Operating revenue:												
Net patient service revenue	\$2,154,158	(\$72)	\$-	\$503,521	\$683,224	\$279,098	\$310,268	\$160,589	\$110,087	\$40,937	\$54,743	\$11,763
Physician practice revenue	345,723	-	-	134,218	103,731	88	28,080	40,044	25,717	5,490	8,131	224
Total patient revenue	2,499,881	(72)	-	637,739	786,955	279,186	338,348	200,633	135,804	46,427	62,874	11,987
Other operating revenue	260,711	(460,841)	464,202	112,801	56,167	14,694	58,312	8,769	2,061	1,718	2,730	98
Net assets released from restrictions used for operations	12,928	-	1,195	4,458	5,762	-	1,502	4	7	-	-	-
Total operating revenue	2,773,520	(460,913)	465,397	754,998	848,884	293,880	398,162	209,406	137,872	48,145	65,604	12,085
Operating expenses:												
Salaries	1,424,315	(140,141)	168,689	401,723	409,705	148,021	200,912	103,486	65,277	25,915	32,723	8,005
Employee benefits	364,390	(34,943)	51,423	84,100	110,152	43,463	45,723	27,915	16,075	6,092	10,831	3,559
Supplies and expenses	872,143	(285,829)	176,306	272,419	300,200	99,290	145,290	75,967	46,526	15,818	23,332	2,824
Depreciation and amortization	117,350	-	46,232	15,464	22,654	5,860	11,693	8,117	4,114	1,581	1,290	345
Interest	38,570	-	23,121	1,295	10,265	634	1,171	1,106	882	48	39	9
Total operating expenses	2,816,768	(460,913)	465,771	775,001	852,976	297,268	404,789	216,591	132,874	49,454	68,215	14,742
(Deficiency) excess of operating revenue over operating expenses	(43,248)	-	(374)	(20,003)	(4,092)	(3,388)	(6,627)	(7,185)	4,998	(1,309)	(2,611)	(2,657)
Non-operating gains and losses:												
Investment income	77,997	-	31,062	13,775	16,687	10,334	811	287	4,242	789	(13)	23
Change in net unrealized gains and losses and change in value of equity method investments	13,644	-	6,612	2,437	2,550	1,492	59	22	449	54	-	(31)
Change in interest in acquired entities	5,140	-	-	5,140	-	-	-	-	-	-	-	-
Non-operating net periodic benefit cost	260	-	(1,399)	84	231	9	608	230	403	31	59	4
Other non-operating gains and losses	115,214	-	115,214	-	-	-	-	-	-	-	-	-
Total non-operating gains and losses	212,255	-	151,489	21,436	19,468	11,835	1,478	539	5,094	874	46	(4)
Excess (deficiency) of revenue and gains and losses over expenses	169,007	-	151,115	1,433	15,376	8,447	(5,149)	(6,646)	10,092	(435)	(2,565)	(2,661)
Net assets released from restrictions for capital asset acquisitions	1,597	-	-	416	75	1,018	83	1	4	-	-	-
Transfers from (to) affiliates	248,270	-	271,552	(11,459)	(10,454)	(6,215)	4,846	-	-	-	-	-
Increase (decrease) in net assets without donor restrictions	\$418,874	\$-	\$422,667	(\$9,610)	\$4,997	\$3,250	(\$220)	(\$6,645)	\$10,096	(\$435)	(\$2,565)	(\$2,661)

**Northwell Health, Inc.**

**Consolidating Statement of Operations - Phelps Memorial Hospital  
For the Three Months Ended March 31, 2021 (Unaudited and In Thousands)**

	Phelps Memorial Hospital Association and Subsidiaries	Eliminations	Phelps Memorial Hospital Association	Phelps Professional Building Co.	Phelps Medical Associates
Operating revenue:					
Net patient service revenue	\$78,024	\$-	\$78,024	\$-	\$-
Physician practice revenue	7,022	-	432	-	6,590
Total patient revenue	85,046	-	78,456	-	6,590
CARES Act Provider Relief Fund revenue	1,368	-	1,368	-	-
Other operating revenue	3,662	(5,220)	2,359	651	5,872
Net assets released from restrictions used for operations	60	-	60	-	-
Total operating revenue	90,136	(5,220)	82,243	651	12,462
Operating expenses:					
Salaries	46,436	(4,337)	43,217	53	7,503
Employee benefits	8,485	-	6,424	13	2,048
Supplies and expenses	30,773	(883)	29,260	203	2,193
Depreciation and amortization	4,491	-	4,306	81	104
Interest	224	-	205	19	-
Total operating expenses	90,409	(5,220)	83,412	369	11,848
(Deficiency) excess of operating revenue over operating expenses	(273)	-	(1,169)	282	614
Non-operating gains and losses:					
Investment income	1,639	-	1,639	-	-
Change in net unrealized gains and losses and change in value of equity method investments	55	-	55	-	-
Non-operating net periodic benefit cost	1	-	1	-	-
Other non-operating gains and losses	24	-	24	-	-
Total non-operating gains and losses	1,719	-	1,719	-	-
Excess of revenue and gains and losses over expenses	1,446	-	550	282	614
Net assets released from restrictions for capital asset acquisitions	52	-	52	-	-
Transfers (to) from affiliates	-	-	97	-	(97)
Other changes in net assets	(912)	-	-	(912)	-
Increase (decrease) in net assets without donor restrictions	\$586	\$0	\$699	(\$630)	\$517

Northwell Health, Inc.

**Consolidating Statement of Operations - Northern Westchester Hospital  
For the Three Months Ended March 31, 2021 (Unaudited and In Thousands)**

	Northern Westchester Hospital Association and Subsidiaries	Northern Westchester Hospital Association	Northern Westchester Hospital Center Foundation	Other Subsidiaries
Operating revenue:				
Net patient service revenue	\$84,221	\$84,221	\$-	\$-
Physician practice revenue	528	528	-	-
Total patient revenue	84,749	84,749	-	-
Other operating revenue	1,346	954	-	392
Net assets released from restrictions used for operations	354	354	-	-
Total operating revenue	86,449	86,057	-	392
Operating expenses:				
Salaries	38,348	38,320	-	28
Employee benefits	10,068	10,068	-	-
Supplies and expenses	27,024	26,826	-	198
Depreciation and amortization	5,075	4,933	-	142
Interest	271	271	-	-
Total operating expenses	80,786	80,418	-	368
Excess of operating expenses over operating revenue	5,663	5,639	-	24
Non-operating gains and losses:				
Investment income	3,209	3,209	-	-
Change in net unrealized gains and losses and change in value of equity method investments	223	223	-	-
Non-operating net periodic benefit credit	(122)	(122)	-	-
Other non-operating gains and losses	(102)	64	(166)	-
Total non-operating gains and losses	3,208	3,374	(166)	-
Excess (deficiency) of revenue and gains and losses over expenses	8,871	9,013	(166)	24
Net assets released from restrictions for capital asset acquisitions	4,078	4,078	-	-
Change in fair value of interest rate swap agreements designated as cash flow hedges	39	39	-	-
Increase (decrease) in net assets without donor restrictions	\$12,988	13,130	(166)	24

**Northwell Health, Inc.**

**Consolidating Statement of Operations - Peconic Bay Medical Center  
For the Three Months Ended March 31, 2021 (Unaudited and In Thousands)**

	<b>Peconic Bay Medical Center and Subsidiaries</b>	<b>Peconic Bay Medical Center</b>	<b>Physician Practices</b>
Operating revenue:			
Net patient service revenue	\$64,520	\$64,520	\$-
Physician practice revenue	7,144	1,347	5,797
Total patient revenue	71,664	65,867	5,797
CARES Act Provider Relief Fund revenue	35	-	35
Other operating revenue	1,560	935	625
Net assets released from restrictions used for operations	387	387	-
Total operating revenue	73,646	67,189	6,457
Operating expenses:			
Salaries	37,329	31,512	5,817
Employee benefits	11,833	10,778	1,055
Supplies and expenses	24,685	22,893	1,792
Depreciation and amortization	3,080	3,035	45
Interest	376	376	-
Total operating expenses	77,303	68,594	8,709
(Deficiency) of operating revenue over operating expenses	(3,657)	(1,405)	(2,252)
Non-operating gains and losses:			
Investment income	174	174	-
Non-operating net periodic benefit cost	128	128	-
Total non-operating gains and losses	302	302	-
Deficiency of revenue and gains and losses over expenses	(3,355)	(1,103)	(2,252)
Transfers from affiliates	1,605	1,605	-
(Decrease) increase in net assets without donor restrictions	(\$793)	\$1,459	(\$2,252)



**Northwell Health, Inc.**

**Combining Statement of Operations - Joint Venture Ambulatory Surgery Centers  
For the Three Months Ended March 31, 2021 (Unaudited and In Thousands)**

	Joint Venture Ambulatory Surgery Centers	Endoscopy Center of Long Island	Endo Group LLC	South Shore Surgery Center	Suffolk Surgery Center	Digestive Health Center of Huntington	Greenwich Village Surgery Center	Melville Surgery Center
Operating revenue:								
Net patient service revenue	\$17,841	\$5,248	\$4,774	\$1,597	\$942	\$1,028	\$1,297	\$2,955
Total patient revenue	17,841	5,248	4,774	1,597	942	1,028	1,297	2,955
CARES Act Provider Relief Fund revenue	3,407	2,341	-	-	621	445	-	-
Other operating revenue	1,119	426	1	444	-	248	-	-
Total operating revenue	22,367	8,015	4,775	2,041	1,563	1,721	1,297	2,955
Operating expenses:								
Salaries	4,121	536	1,164	601	258	345	546	671
Employee benefits	887	113	231	149	74	62	129	129
Supplies and expenses	10,066	1,638	3,346	1,002	638	324	1,876	1,242
Depreciation and amortization	873	14	190	80	32	4	447	106
Interest	65	-	64	-	-	-	-	1
Total operating expenses	16,012	2,301	4,995	1,832	1,002	735	2,998	2,149
Excess (deficiency) of operating revenue over operating expenses	6,355	5,714	(220)	209	561	986	(1,701)	806
Non-operating gains and losses:								
Investment income	(68)	(10)	(30)	(4)	-	(9)	(1)	(14)
Total non-operating gains and losses	(68)	(10)	(30)	(4)	-	(9)	(1)	(14)
Excess (deficiency) of revenue and gains and losses over expenses	6,287	5,704	(250)	205	561	977	(1,702)	792
Transfers from affiliates	2,152	-	-	-	-	-	2,152	-
Other changes in net assets	(9,688)	(6,368)	-	(350)	(500)	(670)	-	(1,800)
(Decrease) increase in net assets without donor restrictions	(\$1,249)	(\$664)	(\$250)	(\$145)	\$61	\$307	\$450	(\$1,008)

**Northwell Health Obligated Group  
Utilization Statistics**

	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Three Months Ended March 31,</b> </div>	
	<u>2020</u>	<u>2021</u>
<b><u>Inpatient</u></b>		
Discharges (excl. Nursery)	61,695	58,349
Patient Days (excl. Nursery)	359,827	361,325
Average Length of Stay (in Days)	5.83	6.19
Average Daily Census	3,954	4,015
Licensed Beds (excl. Nursery)	5,260	5,250
Beds Available (excl. Nursery) (1) (2)	5,079	4,751
Occupancy Percentage (1)	87.2%	84.2%
Normal Newborn Discharges	6,155	5,566
Total Discharges	67,850	63,915
<b><u>Outpatient</u></b>		
Emergency Room Visits (3)	140,671	129,860
Emergency Room Admissions (3)	41,454	39,057
Total ER Encounters	182,125	168,917
Health Center Visits (4)	183,568	138,019
Ambulatory Surgery Visits	28,893	29,260
Home Care Admissions	10,112	9,375
Other Outpatient Visits and Encounters (5)	260,382	321,302

(1) Beds Available, which vary primarily based upon need, are reported as the number of beds at the end of each reporting period. Occupancy Percentage is calculated using the average beds available for the reporting period.

(2) The beds available for the 2020 period were higher than 2021 as a result of the need to increase bed capacity for the first COVID-19 patient surge in March 2020.

(3) Includes observation room.

(4) The decrease in health center visits is primarily due to a change in the frequency of patient visits to the methadone clinics related to COVID-19.

(5) The increase in other outpatient visits and encounters is partially due to COVID-19 testing volume.

NOTE: The utilization statistics presented above only include members of Northwell Health that are in the Obligated Group. Refer to Management's Discussion and Analysis of Recent Financial Performance for total utilization statistics for all Northwell Health entities.

**Northwell Health Obligated Group**  
**Payer Mix**  
**Percent of Gross Revenue (Inpatient & Outpatient)**

	<div style="border: 1px solid black; padding: 2px; text-align: center;"> <b>Three Months Ended March 31,</b> </div>	
	<u><b>2020</b></u>	<u><b>2021</b></u>
<b>Medicare <sup>(1)</sup></b>	44%	45%
<b>Medicaid <sup>(2)</sup></b>	21%	22%
<b>Commercial</b>	30%	29%
<b>Self Pay</b>	2%	1%
<b>Other</b>	3%	3%
<b>Total</b>	100%	100%

(1) Includes Medicare Managed Care.

(2) Includes Medicaid Managed Care.

NOTE: The payer mix information presented above only includes members of Northwell Health that are in the Obligated Group.

Northwell Health, Inc.

Notes to Consolidated Financial Statements

March 31, 2021

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note A – Organization and Basis of Presentation**

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles applied on a basis consistent with that of the 2020 audited consolidated financial statements of Northwell Health, Inc. and its member corporations and other affiliated entities (collectively, “Northwell”). Northwell presumes that users of this interim financial information have read or have access to Northwell’s audited consolidated financial statements and that the adequacy of additional disclosures needed for a fair presentation may be determined in that context. The audited consolidated financial statements of Northwell for the years ended December 31, 2020 and 2019 are on file with the Municipal Securities Rulemaking Board and are accessible through its Electronic Municipal Market Access database. Information contained in Northwell’s audited consolidated financial statements for the years ended December 31, 2020 and 2019 is incorporated herein. Footnotes and other disclosures that would substantially duplicate the disclosures contained in Northwell’s most recent audited consolidated financial statements have been omitted. Accordingly, the accompanying unaudited interim consolidated financial statements do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all transactions considered necessary for a fair presentation have been included.

Patient volumes and net operating revenue and results are subject to seasonal and other variations caused by a number of factors. Monthly and periodic operating results are not necessarily representative of operations for a full year for various reasons, including occupancy levels and other patient volumes, interest rates, unusual or infrequent items and other seasonal fluctuations. These same considerations apply to year-to-year comparisons.

Northwell is an integrated health care delivery system in the New York metropolitan area. Most entities within Northwell are exempt from Federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code (the “Code”) as organizations described in Section 501(c)(3), while certain entities are not exempt from such income taxes. The exempt organizations are also exempt from New York State and local income taxes.

The accompanying unaudited interim consolidated financial statements include the accounts of the following principal operating organizations. All intercompany accounts and activities have been eliminated in consolidation.

# Northwell Health, Inc.

## Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

### Note A – Organization and Basis of Presentation (continued)

#### **Hospitals**

- North Shore University Hospital (“NSUH”), including Syosset Hospital
- Long Island Jewish Medical Center (“LIJMC”), including Long Island Jewish Hospital, Long Island Jewish Forest Hills, Long Island Jewish Valley Stream, Steven and Alexandra Cohen Children’s Medical Center of New York, Zucker Hillside Hospital and Orzac Center for Rehabilitation
- Staten Island University Hospital (“Staten Island”), including both North and South campuses
- Lenox Hill Hospital (“Lenox”)
- South Shore University Hospital (“SSUH”, formerly Southside Hospital)
- Glen Cove Hospital (“Glen Cove”)
- Huntington Hospital Association (“Huntington”)
- Plainview Hospital (“Plainview”)
- The Long Island Home d/b/a South Oaks Hospital
- Phelps Memorial Hospital Association and subsidiaries
- Northern Westchester Hospital Association (“Northern Westchester”, collectively with its subsidiaries)
- Peconic Bay Medical Center and subsidiaries
- John T. Mather Memorial Hospital and subsidiary

#### **Other Entities**

- Northwell Health, Inc. and Northwell Healthcare, Inc. (“HCI”) – parent holding companies
- Northwell Health Stern Family Center for Rehabilitation (“Stern”) – skilled nursing facility and rehabilitation center
- Northwell Health Laboratories – laboratory services
- North Shore Health System Enterprises, Inc., North Shore Health Enterprises, Inc. and True North Health Services Company, LLC – holding companies for certain related entities
- RegionCare, Inc. – infusion therapy and licensed home health agency services
- North Shore Community Services, Inc. – real estate holdings and related services
- North Shore University Hospital Housing, Inc., North Shore University Hospital at Glen Cove Housing, Inc. and Hillside Hospital Houses, Inc. – housing and auxiliary facilities for staff members, students and employees
- Endoscopy Center of Long Island, LLC – outpatient endoscopy center 70% owned by Northwell
- North Shore Medical Accelerator, P.C. – outpatient radiation oncology center
- North Shore-LIJ and Yale New Haven Medical Air Transport, LLC – medical air transport company 90% owned by Northwell
- Visiting Nurse Association of Hudson Valley, Inc. and subsidiaries – home care and hospice services
- True North Health Pharmacy, Inc. – retail pharmacy
- The Feinstein Institutes for Medical Research – medical research
- Northwell Health Foundation – fundraising
- Hospice Care Network – hospice services
- Regional Insurance Company Ltd. – captive insurance company providing excess professional liability insurance
- Montauk Risk Retention Group, Inc. – captive insurance company providing professional liability insurance
- Huntington Hospital Dolan Family Health Center – community health center
- Endo Group, LLC – outpatient ambulatory surgery center 54% owned by Northwell
- DHCH, LLC d/b/a Digestive Health Center of Huntington – outpatient endoscopy center 51% owned by Northwell
- South Shore Surgery Center, LLC – outpatient ambulatory surgery center 72% owned by Northwell
- Suffolk Surgery Center, LLC – outpatient ambulatory surgery center 68% owned by Northwell
- Melville SC, LLC – outpatient ambulatory surgery center 52% owned by Northwell
- Greenwich Village Surgery Center – outpatient ambulatory surgery center currently 100% owned by Northwell
- Staten Island Performing Provider System, LLC – population health organization
- Other affiliated professional corporations

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note A – Organization and Basis of Presentation (continued)**

Certain members of Northwell (the “Obligated Group”) are jointly and severally liable for obligations under bond indentures. The Obligated Group consists of HCI, NSUH, LIJMC, Staten Island, Lenox, SSUH, Huntington, Glen Cove, Plainview and Stern.

Northwell maintains a controlling ownership in various entities whose results of operations are included in the accompanying consolidated financial statements. Northwell’s non-controlling interest in these various entities at March 31, 2021 and 2020 was immaterial, both individually and in the aggregate, to Northwell’s net assets and excess of revenue and gains and losses over expenses as reported in the accompanying consolidated financial statements.

In March 2021, Northwell sold its interest in a joint venture, which was previously accounted for using the equity method of accounting, resulting in a net gain of \$197,792, which is included in other non-operating gains and losses in the accompanying consolidated statement of operations for the three months ended March 31, 2021.

**COVID-19 Impact**

The global outbreak of Coronavirus Disease 2019 (“COVID-19”) has caused numerous and varied medical, economic and social impacts. These impacts have included widespread business and school closures and event cancellations, high unemployment and other economic and societal effects resulting from the national response to the COVID-19 crisis. There have been adverse effects on Northwell’s operations and financial condition, beginning in March 2020 and continuing into 2021 as a result of the pandemic, including reductions in patient volume and incremental costs in response to the crisis. Patient service volumes started to recover in late May 2020 after the first COVID-19 surge in Northwell’s service area. A second surge of COVID-19 began in November 2020, delaying the recovery and affecting Northwell’s operations into 2021. Unlike the first, the second COVID-19 surge did not result in New York State executive orders prohibiting elective or non-emergent medical services. While patient service volumes continue to improve as the second surge has subsided, certain services are currently at levels lower than pre-COVID-19. The financial impact will ultimately be dependent on the duration of the pandemic, the severity of any possible COVID-19 resurgence, the pace of economic activity and continued recovery in providing non-COVID-19 related services to patients, and the ultimate amount of federal and other relief funding received.

Individual Northwell entities received grants from the Coronavirus Aid, Relief and Economic Security (“CARES”) Act Provider Relief Fund based on various criteria, and under current guidelines issued by the US Department of Health and Human Services (“HHS”), these funds can be used to cover certain COVID-19 related costs and revenue losses. Additionally, on December 27, 2020, the Consolidated Appropriations Act, 2021 (“CAA”) was signed into law. The CAA appropriated additional funding for COVID-19 response and relief through the Provider

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note A – Organization and Basis of Presentation (continued)**

Relief Fund and provided several changes to the administration of the Provider Relief Fund. The consolidated statement of operations for the three months ended March 31, 2021 reflects \$22,128 of Provider Relief Fund grant revenue received in 2021. Management will continue to monitor communications from HHS applicable to the Provider Relief Fund reporting and data submission requirements.

In addition to the amounts from the Provider Relief Fund, there were certain temporary Medicare payment rate enhancements. Medicare advances were also made available in 2020 under the CARES Act to provide liquidity to healthcare providers (separate and apart from the Provider Relief Fund grants described in the paragraph above). Northwell received approximately \$1,030,000 in Medicare advances, which have started to be repaid without interest in April 2021, and repayment will continue through February 2023. Amounts expected to be repaid within the next twelve months are reflected within current liabilities in the consolidated statements of financial position at March 31, 2021 and December 31, 2020. In addition, Northwell participated in the FICA tax deferral program under the CARES Act for the employer portion of social security taxes and, as of December 31, 2020, had deferred approximately \$229,000. The employer FICA amounts deferred under this program are payable without interest with half due by December 2021 and the remaining balance due by December 2022. The amounts expected to be paid in 2021 are recorded in accrued salaries and related benefits and the remaining balance is included in other long-term liabilities in the accompanying consolidated statements of financial position at March 31, 2021 and December 31, 2020.

Management has designated funds in assets limited as to use for the Medicare advances and FICA deferral amounts, along with the unrecognized amount of Provider Relief Funds, and excluded such amounts from Northwell's total unrestricted cash, cash equivalents and investments as of March 31, 2021 and December 31, 2020.

Management is pursuing opportunities for additional federal funding including funding from the Federal Emergency Management Agency and any other funding that is or will become available.

Management continues to closely monitor the operational and financial impact of COVID-19. However, the ultimate net impact of the pandemic on Northwell's financial condition remains uncertain.

## Northwell Health, Inc.

### Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

#### **Note B - 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, including estimated accounts receivable for services to patients, and liabilities, including estimated payables to third-party payers, accrued retirement benefits, and malpractice and other insurance liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### **Note C - Accounts Receivable and Patient Revenue**

Net patient service revenue and physician practice revenue (collectively “patient revenue”) are reported at the amount that reflects the consideration to which Northwell expects to be entitled in exchange for providing patient care. These amounts are due from patients and third-party payers (including health insurers and government programs) and include various elements of variable consideration in determining a transaction price.

Northwell 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 consist of major payer classes for patient revenue. Based on historical collection trends and other analyses, Northwell believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.

Northwell’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 Northwell’s standard charges. Northwell determines the transaction price associated with services provided to patients who have third-party payer coverage on the basis of contractual rates, governmental rates or established charges for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements, Northwell’s discount policies and historical experience. For uninsured patients who are ineligible for any government assistance program, Northwell provides services without charge or at amounts less than its established rates for patients who meet the criteria of its charity care policy. Because Northwell does not pursue collection of amounts determined to qualify as charity care, such services are not reported as patient revenue. For uninsured and under-insured patients who do not qualify for charity care, Northwell 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 Northwell’s historical collection experience for applicable patient portfolios.



Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note C - Accounts Receivable and Patient Revenue (continued)**

Generally, Northwell bills patients and third-party payers several days after the services are performed and/or the patient is discharged. Patient revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by Northwell. Patient revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. Northwell 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. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services or patients receiving services in Northwell's outpatient and ambulatory care centers. Northwell measures the performance obligation from admission into the hospital or the commencement of an outpatient or physician 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 or physician visit.

Substantially all of Northwell's performance obligations relate to contracts with a duration of less than one year; the unsatisfied or partially unsatisfied performance obligations referred to below 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). As such, accounts receivable related to in-house patients are considered contract assets as the performance obligation is not completed until the patients are discharged, which for the majority of the in-house patients occurs within days or weeks after the end of the reporting period and at which point Northwell has the right to bill.

At March 31, 2021 and December 31, 2020 accounts receivable for services to patients, net is comprised of the following components:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Receivables for services to patients	<b>\$ 1,265,372</b>	\$ 1,194,549
Contract assets (for in-house patients)	<b>86,529</b>	81,686
	<b><u>\$ 1,351,901</u></b>	<u>\$ 1,276,235</u>

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)*  
*(in thousands)*

**Note C - Accounts Receivable and Patient Revenue (continued)**

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to patient revenue in the period of the change. For the three months ended March 31, 2021 and 2020, changes in Northwell's estimates of implicit price concessions, discounts, contractual adjustments or other reductions to expected payments for performance obligations satisfied in prior years were not significant. Portfolio collection estimates are updated periodically 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 in supplies and expenses in the accompanying consolidated statements of operations. Bad debt expense and the related allowance for uncollectible accounts for the three months ended March 31, 2021 and 2020 and as of March 31, 2021 and December 31, 2020 were not significant.

Northwell has determined that the nature, amount, timing and uncertainty of revenue and cash flows are primarily affected by its mix of payers and services.

Patient revenue for the three months ended March 31, 2021 and 2020, by payer is approximately as follows:

	<b>2021</b>	<b>2020</b>
Medicare and Medicare managed care	<b>\$ 1,006,000</b>	\$ 923,000
Medicaid and Medicaid managed care	<b>437,000</b>	394,000
Self-pay	<b>19,000</b>	19,000
Other third-party payers	<b>1,668,000</b>	1,490,000
	<b><u>\$ 3,130,000</u></b>	<b><u>\$ 2,826,000</u></b>

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

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)*  
*(in thousands)*

**Note C - Accounts Receivable and Patient Revenue (continued)**

Patient revenue for the three months ended March 31, 2021 and 2020, disaggregated by lines of service, is as follows:

	<b>2021</b>	<b>2020</b>
Net patient service revenue:		
Hospitals	\$ 2,484,240	\$ 2,244,882
Joint venture ambulatory surgery centers	17,841	17,100
Stern (skilled nursing facility and rehabilitation center)	11,763	14,725
Hospice Care Network	12,895	12,496
RegionCare, Inc.	10,999	13,752
Other	4,984	7,593
Net patient service revenue	2,542,722	2,310,548
Physician practice revenue	587,413	515,421
Total patient revenue	<u>\$ 3,130,135</u>	<u>\$ 2,825,969</u>

Settlements with third-party payers 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 patient revenue. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer and Northwell's historical settlement activity (for example, cost report final settlements or repayments 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. Changes in estimates relating to prior year settlements were not significant for the three months ended March 31, 2021 and 2020.

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note D - Cash and Investments**

Northwell's cash and investments are reported in the consolidated statements of financial position as presented below at March 31, 2021 and December 31, 2020:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Cash and cash equivalents	\$ 761,527	\$ 830,955
Short-term investments	3,822,220	3,619,297
Long-term investments	4,116,609	3,970,226
Total cash, cash equivalents and investments	<u>8,700,356</u>	<u>8,420,478</u>
Less assets limited as to use:		
Management designated malpractice and other self-insurance assets	1,080,210	1,022,791
Management designated assets to repay Medicare advances	1,030,229	1,030,229
Other management designated assets*	2,020,904	1,927,682
Donor restricted assets	370,259	359,650
Deferred employee compensation plan assets	335,105	304,188
Assets under bond indentures and other	91,888	98,067
Total assets limited as to use	<u>4,928,595</u>	<u>4,742,607</u>
Total unrestricted cash, cash equivalents and investments	<u><u>\$ 3,771,761</u></u>	<u><u>\$ 3,677,871</u></u>

\* Other management designated assets include sinking funds established to repay Northwell's taxable debt, proceeds from taxable bond issues and other amounts designated to fund future capital expenditures and investments, and the unrecognized amount of CARES Act Provider Relief Funds and amounts deferred under the CARES Act FICA employer tax deferral program.

Total unrestricted cash, cash equivalents and investments is used in Northwell's days cash on hand calculation, a required financial ratio for certain debt compliance covenants.

Short-term investments include \$899,630 and \$859,140 of assets limited as to use at March 31, 2021 and December 31, 2020, respectively. Long-term investments include \$4,028,965 and \$3,883,467 of assets limited as to use at March 31, 2021 and December 31, 2020, respectively.

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note D - Cash and Investments (continued)**

Cash and cash equivalents (unrestricted and restricted), as reported in the accompanying consolidated statements of cash flows, are reported within the following categories in the consolidated statements of financial position as of March 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 761,527	\$ 662,645
Short and long-term investments	557,576	321,343
	<u>\$ 1,319,103</u>	<u>\$ 983,988</u>

**Note E - Fair Value Measurements**

For assets and liabilities required to be measured at fair value, Northwell measures fair value based on 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. Fair value measurements are applied based on the unit of account from Northwell'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) for purposes of applying other accounting pronouncements.

Northwell follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

*Level 1:* Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

*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.

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, Northwell uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

A financial instrument's categorization within the three levels of the valuation hierarchy is not indicative of the investment risk associated with the underlying assets.

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)

**Note E - Fair Value Measurements (continued)**

Financial assets and liabilities carried at fair value as of March 31, 2021 are classified in the following table in one of the three categories described previously:

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents (including amounts in the investment portfolio)	\$ 1,319,103	\$ –	\$ –	\$ 1,319,103
Fixed income obligations:				
U.S. Government obligations	234,985	354,956	–	589,941
Corporate and other bonds	–	739,965	–	739,965
Fixed income mutual funds	750,613	–	–	750,613
Commingled fixed income funds*	–	443,545	–	443,545
Equity securities:				
Value	744,965	–	–	744,965
Small cap	260,423	–	–	260,423
Global	339,952	–	–	339,952
Growth	194,273	–	–	194,273
Equity mutual funds	1,142,788	–	–	1,142,788
Commingled equity funds*	–	323,530	–	323,530
Target-age mutual funds	110,984	–	–	110,984
Accrued interest and other	13,694	–	–	13,694
<b>Liabilities</b>				
Interest rate swap agreements	–	(5,740)	–	(5,740)
	<u>\$ 5,111,780</u>	<u>\$ 1,856,256</u>	<u>\$ –</u>	<u>\$ 6,968,036</u>

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)

**Note E - Fair Value Measurements (continued)**

Financial assets and liabilities carried at fair value as of December 31, 2020 are classified in the following table in one of the three categories described previously:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents (including amounts in the investment portfolio)	\$ 1,268,946	\$ —	\$ —	\$ 1,268,946
Fixed income obligations:				
U.S. Government obligations	181,818	327,678	—	509,496
Corporate and other bonds	—	760,113	—	760,113
Fixed income mutual funds	704,141	—	—	704,141
Commingled fixed income funds*	—	406,937	—	406,937
Equity securities:				
Value	674,612	—	—	674,612
Small cap	235,490	—	—	235,490
Global	374,896	—	—	374,896
Growth	196,718	—	—	196,718
Equity mutual funds	1,072,221	—	—	1,072,221
Commingled equity funds*	—	305,049	—	305,049
Target-age mutual funds	99,042	—	—	99,042
Accrued interest and other	22,232	—	—	22,232
<b>Liabilities</b>				
Interest rate swap agreements	—	(7,164)	—	(7,164)
	\$ 4,830,116	\$ 1,792,613	\$ —	\$ 6,622,729

\*Certain of Northwell's commingled fixed income and commingled equity fund investments are valued based on inputs not quoted in active markets, but corroborated by market data, while other commingled fixed income and commingled equity fund investments are recorded on the equity method of accounting and excluded from the fair value tables above.

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is 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 instrument.

The amounts reported in the previous tables exclude certain amounts reported as investments, including investments under the equity method or at adjusted cost in the amounts of \$1,726,580 and \$1,790,585 at March 31, 2021 and December 31, 2020, respectively, and assets invested in Northwell's pension plans.

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note F - Pension and Postretirement Benefits**

Northwell maintains several pension plans for its employees. The following are brief descriptions of such plans and the respective pension expense for the three months ended March 31, 2021 and 2020.

Certain members of Northwell provide pension and similar benefits to its employees through defined contribution plans. Contributions to defined contribution plans are based on percentages of annual salaries. Pension expense related to the defined contribution plans was \$62,572 and \$63,130 for the three months ended March 31, 2021 and 2020, respectively.

Certain members of Northwell contribute to various multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover union-represented employees. Pension expense related to these plans aggregated \$30,621 and \$29,831 for the three months ended March 31, 2021 and 2020, respectively.

Northwell maintains various deferred compensation plans pursuant to Section 457(b) of the Code (the “457(b) Plans”). Eligible employees may defer compensation under a salary reduction agreement, subject to certain dollar limitations. Non-elective employer contributions may also be made for some of the 457(b) Plans. Payments upon retirement or termination of employment are based on amounts credited to the individual accounts.

Certain Northwell employees are covered by noncontributory defined benefit pension plans. The following table provides an estimate of the components of the total net periodic benefit cost for the defined benefit pension plans for the three months ended March 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Service cost (included in employee benefits)	<b>\$ 26,712</b>	\$ 27,169
Interest cost on projected benefit obligation	<b>21,438</b>	26,207
Expected return on plan assets	<b>(33,348)</b>	(41,915)
Amortization of actuarial loss	<b>13,847</b>	17,382
Amortization of prior service cost	<b>958</b>	2,630
Total included in non-operating net periodic benefit cost	<b>2,894</b>	4,304
Net periodic benefit cost	<b>\$ 29,606</b>	\$ 31,473

Certain employees are also covered by postretirement defined benefit plans other than pensions. The net periodic benefit cost of such plans for the three months ended March 31, 2021 and 2020 was not material to the consolidated statements of operations.



Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

**Note G – Leases**

Northwell leases certain medical offices, administrative offices and equipment under finance and operating leases. At the inception of a contract, a determination is made if the arrangement is or contains a lease. 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, among other criteria.

As of March 31, 2021 and December 31, 2020, assets acquired under finance leases of \$217,662 (at both dates) and accumulated amortization associated with finance leases of \$30,471 and \$28,429, respectively, are recorded in property, plant and equipment, net in the consolidated statements of financial position.

Northwell's right-of-use assets pertaining to operating leases represent the right to use the agreement's underlying assets for the lease term, and the corresponding lease liabilities represent the obligation to make lease payments arising from the lease. Such right-of-use assets and lease liabilities are recognized at the lease's commencement date at the present value of lease payments over the lease term for leases with initial terms greater than one year. The present value of lease payments is calculated by utilizing the discount rate implicit in the lease, when readily determinable. For leases for which this rate is not readily determinable, Northwell uses its incremental borrowing rate for financing over a comparable period as the discount rate. A right-of-use asset and lease liability are not recognized for leases with an initial term of twelve months or less. Northwell recognizes lease expense for operating leases over the lease term within supplies and expenses on the consolidated statements of operations. The deferred rent liability resulting from recording operating lease expense using the straight-line method is reported as a reduction to the right-of-use assets – operating leases line of the consolidated statements of financial position.

Northwell's operating and finance leases have remaining lease terms, ranging from less than one year to sixty-three years, some of which may include options to extend. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the right-of-use leased assets and liabilities, unless Northwell is reasonably certain to exercise the option to extend the lease. Northwell's leases may also include variable lease payments. Variable lease payments are excluded from the amounts used to determine the right-of-use leased assets and liabilities, unless the variable lease payments depend on an index or rate or are in substance fixed payments.

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)*  
*(in thousands)*

**Note G – Leases (continued)**

The components of lease cost included in the accompanying consolidated statements of operations for the three months ended March 31, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Finance lease cost:		
Amortization of assets acquired under finance leases	\$ 2,042	\$ 1,743
Interest on finance lease obligations	4,116	3,900
Operating lease cost:		
Lease cost – leases with terms greater than one year	42,533	40,744
Short-term lease cost	1,175	946
Variable lease cost	8,053	7,329
Total lease cost	<u>\$ 55,877</u>	<u>\$ 54,662</u>

Other information related to leases and supplemental cash flows as of March 31, 2021 and December 31, 2020 and for the three months ended March 31, 2021 and 2020 are as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Operating cash flows for interest on finance leases	\$ 4,116	\$ 3,900
Operating cash flows from operating leases*	42,774	41,087
Financing cash flows from finance leases	1,666	1,747
Assets acquired under new finance lease obligations	-	-
Right-of-use leased assets obtained in exchange for new operating lease obligations	41,384	39,919
	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Weighted-average remaining lease term:		
Finance leases	26 years	26 years
Operating leases	11 years	11 years
Weighted-average discount rate on finance leases	7.6%	7.6%
Weighted-average discount rate on operating leases	3.9%	4.0%

\* Cash flows relating to operating lease costs for leases with terms greater than one year. Excludes variable lease costs.

# Northwell Health, Inc.

## Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

### Note G – Leases (continued)

The following table reconciles the undiscounted future lease payments to the lease obligations recorded on the accompanying consolidated statement of financial position at March 31, 2021:

	<b>Operating</b>	<b>Finance</b>
2021 (remaining nine months)	\$ 128,882	\$ 17,834
2022	154,463	22,480
2023	138,861	22,130
2024	123,806	21,697
2025	108,044	21,264
Thereafter	578,564	452,688
Total minimum future payments	1,232,620	558,093
Less: Interest	248,698	299,752
Less: Net unamortized issuance costs	–	1,920
Total liabilities	983,922	256,421
Less: Current portion	134,616	7,964
Long-term liabilities	<u>\$ 849,306</u>	<u>\$ 248,457</u>

### Note H - Commitments and Contingencies

#### Litigation and Claims

Northwell is involved in litigation and claims which are not considered unusual to Northwell's business. While the ultimate outcome of these matters cannot be determined at this time, it is the opinion of management that the ultimate resolution of these claims will not have a material adverse effect on the accompanying unaudited interim consolidated financial statements.

#### Letters of Credit and Surety Bonds

At March 31, 2021, \$13,301 in direct-pay letters of credit were maintained with a commercial bank to secure certain Northern Westchester bond issues.

At March 31, 2021, four commercial banks are providing a total of \$366,842 in commitments, solely to support letters of credit required for Northwell's high deductible workers' compensation and vehicle insurance programs. At March 31, 2021, \$170,473 in secured direct-pay letters of credit were maintained with the banks and \$196,369 of the commitments remain available for future letters of credit. At March 31, 2021, there was also a \$60,000 surety bond supporting these programs.

In addition, at March 31, 2021, \$16,589 in direct-pay letters of credit or surety bonds were maintained to support other workers' compensation insurance programs at certain Northwell hospitals.

## Northwell Health, Inc.

### Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)  
(in thousands)*

#### **Note H - Commitments and Contingencies (continued)**

##### **Other Commitments**

In 2008, Hofstra University (the “University”) and Northwell entered into a joint academic agreement to establish what is now known as the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell (the “Medical School”), at the University, while remaining as separate corporations with separate governance. Under the agreement, Northwell will reimburse the University each academic year for a portion of the Medical School’s annual costs, with amounts indexed to the Medical School tuition. Such reimbursement is contingent upon annual approval by the boards of Northwell and the University. Northwell shall not advance funds to the University that have not yet been spent in connection with the Medical School. Northwell also provides funding annually for Medical School scholarships and student loans, with amounts indexed to the Medical School tuition.

In April 2015, Northwell entered into a strategic affiliation with Cold Spring Harbor Laboratory (“CSHL”). Under the terms of this affiliation, Northwell and CSHL will continue as independent organizations governed by their respective boards of trustees. The goals of the affiliation include advancing cancer diagnostic and therapeutic research, developing a new clinical cancer research unit at Northwell to support early-phase clinical studies of new cancer therapies, and recruiting and training more clinician-scientists in oncology. Pursuant to the agreement, Northwell is committed to pay CSHL \$15,000 annually throughout the remaining term of the affiliation.

In August 2015, Northwell entered into a clinical affiliation and collaboration agreement with Maimonides Medical Center (“Maimonides”), a not-for-profit acute care hospital located in Brooklyn, New York. The purpose of the affiliation is to pursue collaborative activities, such as clinical integration initiatives and ambulatory services joint ventures, as well as service agreements that may generate operational efficiencies. Under the terms of the affiliation agreement, Northwell and Maimonides will remain independent organizations governed by their respective boards of trustees. Pursuant to the affiliation agreement, the parties have also entered into an unsecured loan agreement whereby through August 2017, Northwell loaned a total of \$125,000 to Maimonides. Payments on the loan and accrued interest thereon would not commence until the termination of the affiliation agreement. However, if Northwell becomes the sole member and corporate parent of Maimonides, outstanding amounts borrowed under the loan agreement, including accrued interest, will be forgiven.

In August 2018, Northwell entered into an option agreement with a third party that recently acquired property on the Upper East Side of Manhattan. Under the agreement, Northwell is required to make minimum monthly payments of approximately \$806 to the property owner and is given the option to purchase the property at a defined price at certain future dates. The option agreement is for a three-year period with the ability to extend for up to two additional years.

Northwell Health, Inc.

Notes to Consolidated Financial Statements (continued)

*(information pertaining to the three months ended March 31, 2021 and 2020 is unaudited)*  
*(in thousands)*

**Note H - Commitments and Contingencies (continued)**

In the normal course of business, Northwell enters into multi-year contracts with vendors, suppliers and service providers for goods or services to be provided to Northwell. Under the terms of such agreements, Northwell may be contingently liable for termination or other fees in the event of contract termination or default. Northwell does not believe that such contingent liabilities, should they become due, would have a material impact on its consolidated financial statements.

**Note I - Subsequent Events**

Management has evaluated events and transactions subsequent to March 31, 2021 through May 28, 2021, representing the date at which the unaudited interim consolidated financial statements were issued.

Except for those mentioned in Note A, no events have occurred that require disclosure in, or adjustment to, the unaudited interim consolidated financial statements.