MOUNT SINAI HEALTH SYSTEM, INC.

Consolidated Financial Statements and Supplementary Information

Table of Contents

Report of Independent Auditors 1

Consolidated Financial Statements

Consolidated Statement of Financial Position 4

Consolidated Statement of Operations 5

Consolidated Statement of Changes in Net Assets 6

Consolidated Statement of Cash Flows 7

Notes to the Consolidated Financial Statements 8

Supplementary Information

Consolidating Statement of Financial Position 44

Consolidating Statement of Operations 45

Consolidating Statement of Financial Position – South Nassau Communities Hospital and Subsidiaries 46

Consolidating Statement of Operations – South Nassau Communities Hospital and Subsidiaries 47

Consolidating Statement of Financial Position – The St. Luke's-Roosevelt Hospital Center and Affiliates 48

Consolidating Statement of Operations – The St. Luke's-Roosevelt Hospital Center and Affiliates 49

Consolidating Statement of Cash Flows – The St. Luke's-Roosevelt Hospital Center and Affiliates 50

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Report of Independent Auditors

The Board of Trustees
Mount Sinai Health System, Inc.

Opinion

We have audited the consolidated financial statements of the Mount Sinai Health System, Inc. (the System), which comprise the consolidated statement of financial position as of December 31, 2024 and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the System at December 31, 2024, and the consolidated results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating statement of financial position as of December 31, 2024, and the consolidating statements of operations and cash flows for the year then ended are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

May 30, 2025

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MOUNT SINAI HEALTH SYSTEM, INC.

Consolidated Statement of Financial Position

(In thousands)

December 31, 2024

Assets		
Current assets:		
Cash and cash equivalents	$	1,224,215
Short-term investments		263,702
Current portion of assets limited or restricted as to use		77,222
Patient accounts receivable, net		1,193,089
Current portion of professional liabilities insurance recoveries receivable		68,212
Other current assets		620,654
Total current assets		3,447,094
Assets limited or restricted as to use, net of current portion		26,559
Investments		2,499,795
Beneficial interest in self-insurance trust		553,250
Property, plant, and equipment, net		5,800,778
Right-of-use assets		832,398
Professional liabilities insurance recoveries receivable, net of current portion		189,531
Other assets		728,668
Total assets	$	14,078,073
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$	1,067,961
Accrued salaries and related liabilities		625,343
Current portion of long-term debt		68,667
Current portion of operating lease liabilities		55,294
Current portion of professional insurance liabilities		68,212
Other current liabilities		219,161
Total current liabilities		2,104,638
Long-term debt, net of current portion		3,516,582
Operating lease liabilities, net of current portion		876,395
Professional insurance liabilities, net of current portion		189,531
Self-insurance liabilities		553,250
Accrued pension and postretirement liability		40,916
Other liabilities		1,364,008
Total liabilities		8,645,320
Net assets:		
Without donor restrictions		3,903,400
With donor restrictions		1,529,353
Total net assets		5,432,753
Total liabilities and net assets	$	14,078,073

See accompanying notes to consolidated financial statements.

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidated Statement of Operations

(In thousands)

Year Ended December 31, 2024

Operating revenue:		
Patient service revenue	$	8,649,832
Other revenue		3,204,446
Total operating revenue		11,854,278
Operating expenses:		
Salaries and wages		5,929,343
Employee benefits		1,545,363
Supplies and other		4,002,291
Interest		116,265
Depreciation and amortization		526,420
Total operating expenses		12,119,682
Loss from operations		(265,404)
Other items:		
Net change in unrealized gains and losses on investments		372,958
Other, net		(21,010)
Excess of revenue over expenses		86,544
Other changes:		
Pension and postretirement changes other than net periodic benefit cost		1,678
Net assets released from restrictions for capital		43,842
Other, net		(5,325)
Increase in net assets without donor restrictions	$	126,739

See accompanying notes to consolidated financial statements.

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidated Statement of Changes in Net Assets

(In thousands)

Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total net assets
Net assets at January 1, 2024	$ 3,776,661	$ 1,518,892	$ 5,295,553
Changes in net assets:			
Excess of revenue over expenses	86,544	−	86,544
Pension and postretirement changes other than net periodic benefit cost	1,678	−	1,678
Donor restricted contributions	−	125,088	125,088
Donor restricted realized and unrealized investment returns	−	36,239	36,239
Net assets released from restrictions for operations	−	(115,360)	(115,360)
Net assets released from restrictions for capital	43,842	(43,842)	−
Other, net	(5,325)	8,336	3,011
Change in net assets	126,739	10,461	137,200
Net assets at December 31, 2024	$ 3,903,400	$ 1,529,353	$ 5,432,753

See accompanying notes to consolidated financial statements.

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidated Statement of Cash Flows

(In thousands)

Year Ended December 31, 2024

Cash flows from operating activities:		
Change in net assets	$	137,200
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Pension and postretirement changes other than net periodic benefit cost		(1,678)
Depreciation and amortization expense		526,420
Amortization of bond financing costs, premiums, and discounts		4,137
Net change in unrealized gains and losses on investments		(372,958)
Net realized gains and losses on sales of securities		(188,931)
Gain on sale of assets		(10,136)
Donor-restricted contributions and realized and unrealized investment returns		(161,327)
Changes in operating assets and liabilities:		
Patient accounts receivable, net		(169,056)
Accounts payable, accrued expenses, accrued salaries and related liabilities		157,095
Other assets and liabilities, net		(139,183)
Accrued pension and post-retirement liability		(12,054)
Net cash used in operating activities		(230,471)
Cash flows from investing activities:		
Acquisition of property, plant, and equipment		(590,091)
Decrease in investments and assets limited or restricted as to use, net		1,367,049
Funding of self-insurance trust		(92,350)
Proceeds from sale of assets		37,893
Net cash provided by investing activities		722,501
Cash flows from financing activities:		
Repayments of long-term debt		(85,545)
Donor-restricted contributions and restricted realized and unrealized investment returns		161,327
Net cash provided by financing activities		75,782
Net increase in cash and cash equivalents		567,812
Cash, cash equivalents, and restricted cash at beginning of year		840,751
Cash, cash equivalents, and restricted cash at end of year	$	1,408,563
Cash and cash equivalents	$	1,224,215
Restricted cash included in assets limited or restricted as to use and investments		184,348
Total cash, cash equivalents, and restricted cash	$	1,408,563

See accompanying notes to consolidated financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Mount Sinai Health System, Inc. (MSHS) and its controlled subsidiaries and other affiliated entities (collectively, the System) is an integrated health care delivery system in the New York metropolitan area, with facilities located in New York City and Nassau County, New York. MSHS is incorporated under New York State Not-for-Profit Corporation law and is a tax-exempt entity under the provisions of Section 501(a) of the Internal Revenue Code (the Code). The System provides patient care, teaching, research, and other health care related services.

MSHS is the sole member of Mount Sinai Hospitals Group, Inc. (MSHG). MSHG is a 501(c)(3) tax exempt entity incorporated under New York State Not-for-Profit Corporation law and was formed to be the sole member of the System's hospitals. The member hospitals of MSHG, all of which are 501(c)(3) tax exempt entities incorporated under New York State Not-for-Profit Corporation law, include:

- The Mount Sinai Hospital (MSH), including Mount Sinai Hospital of Queens
- Beth Israel Medical Center and Affiliates (BIMC), including Mount Sinai Phillips School of Nursing and locations at Mount Sinai Brooklyn, Mount Sinai Union Square and Mount Sinai Behavioral Health Center
- The New York Eye and Ear Infirmary and Affiliates (NYEEI)
- South Nassau Communities Hospital and Subsidiaries (SNCH)
- The St. Luke's-Roosevelt Hospital Center and Affiliates (SLR), comprised of Mount Sinai West and Mount Sinai Morningside

The principal subsidiaries and other affiliated entities of the System also include:

- The Mount Sinai Medical Center, Inc. (MSMC), a 501(c)(3) not-for-profit corporation, – maintains a pooled investment portfolio for the benefit of other System entities
- Icahn School of Medicine at Mount Sinai (ISMMS), a 501(c)(3) education corporation – teaching and research institution with faculty and community physician practice plans
- 8 East 102nd Street Manager, LLC (the Manager) – real estate holdings and related services
- MSMC Residential Realty LLC (MSMCRRC) – real estate holdings and related services
- MSMC Realty Corporation (MSMCRC) – real estate holdings and related services

In October 2023, BIMC submitted a closure plan to the New York State Department of Health (NYSDOH) for its 16th Street campus, a component of its downtown Manhattan, New York campus. The closure plan was submitted due to a decreasing census, outdated infrastructure, the shift in patient care to outpatient, significant increases in labor and supply costs, and significant financial losses at the 16th Street campus. In November 2023, an amended closure plan was submitted to the NYSDOH. On April 2, 2024, the NYSDOH requested additional information, which MSHS provided in a revised closure plan submitted in May 2024, and the revised plan was approved by the NYSDOH in July 2024. On February 7, 2024, community groups commenced an action seeking to stop BIMC from closing the 16th Street campus and NYEEI from closing its facility. On February 24, 2025, the action brought by the community groups was dismissed by the New York State Supreme Court. In the days following the dismissal, the inpatient service of the 16th Street campus was closed. On February 28, 2025, the plaintiffs appealed and the appellate court agreed to hear an appeal of the community groups' action and

imposed a stay on closing further services. On April 8, 2025 the appeal was dismissed and on April 9, 2025 the 16th Street campus was closed. BIMC intends to continue operating Mount Sinai Brooklyn, its ambulatory care locations, the Mount Sinai Phillips School of Nursing and the Mount Sinai Behavioral Health Center.

Change in Reporting Entity

During the year ended December 31, 2024, the System transitioned from reporting standalone financial statements for MSH, BIMC, NYEEI, SNCH, SLR, ISMMS, MSMC, MSMCRRC, MSMCRC, and the Manager to consolidated financial statements of MSHS and its controlled subsidiaries and affiliates. Other controlled entities included in the accompanying consolidated financial statements did not previously issue standalone financial statements; however, those entities are not significant to the System's consolidated financial position or its operating results. The change in reporting entity was made to provide more relevant and comprehensive financial information to stakeholders, including a more complete representation of the consolidated financial position and performance of the System and its subsidiaries. The accompanying consolidated financial statements of the System reflect the accounting for prior acquisitions of BIMC, NYEEI, and SLR (each in 2013) and SNCH (in 2018) in accordance with Accounting Standards Codification 805, *Business Combinations*.

Although the System and the other entities described above have been consolidated for financial statement reporting purposes under applicable accounting requirements, there may be limitations on the use of one entity's funds by another member of the consolidated group resulting from the charitable nature of some of the entities or other factors.

(b) Principles of Consolidation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include all subsidiaries and other affiliated entities for which operating control is exercised by the System. Intercompany balances and transactions are eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. In the accompanying consolidated financial statements, estimates principally relate to the valuation of patient accounts receivable, net, amounts due from and to third-party payors, estimated professional and self-insurance liabilities and related insurance recoveries receivable, benefit plan assumptions, and the carrying value of alternative investments. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

The System considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. The System has balances in financial institutions that exceed Federal depository insurance limits. It is the System's policy to monitor the financial strength of these institutions. Management does not believe the credit risk related to these deposits to be significant. The System does

not hold any money market funds with significant liquidity restrictions that would require the funds to be excluded from cash equivalents.

Amounts within restricted cash include cash held within investments and assets limited or restricted as to use and represent funds set aside within investments based on management's policy or contractual arrangements.

(e) Patient Accounts Receivable, Net and Patient Service Revenue

Patient accounts receivable, net and patient service revenue result from the health care services provided by the System and are reported at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration in determination of the transaction price.

(f) Investments and Investment Return

Investments consist of cash and cash equivalents, U.S. government obligations, mutual funds, equity securities, and interests in alternative investments. All investments are classified as trading investments and, excluding interests in alternative investments, are carried at fair value as described in Note 4.

Alternative investments (nontraditional, not readily marketable securities) are measured based upon net asset values (NAV) derived from the application of the equity method of accounting. Financial information used to evaluate alternative investments is provided by the respective investment manager or general partner and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits for certain investees does not coincide with the System's annual financial statement reporting. There is uncertainty in determining values of alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, time lags associated with reporting by the investee companies and the subjective evaluation of liquidity restrictions. As a result, the estimated values might differ from the values that would have been used had a ready market for the alternative investment interests existed and there is at least a reasonably possibility that estimates will change.

Alternative investments may consist of equity, debt, and derivatives both within and outside the U.S. in multi-strategy hedge funds, event-driven strategies, global investment mandates, distressed securities, and private funds. Alternative investment interests generally are structured such that the System holds a limited partnership interest or an interest in an investment management company. Alternative investments often have liquidity restrictions under which the pooled investment capital may be divested only at specified times. Liquidity restrictions may apply to all or portions of a particular invested amount.

A substantial portion of the System's investments are pooled for management purposes amongst the System entities (pool participants). MSMC has custody of the pooled investments. For purposes of the consolidating financial statements, interests in pooled investments are reported by pool participants using unitized net asset value based on their respective share of the investment pool and are reported as investments in the statement of financial position. Investment income from the investment pool is

allocated to investment pool participants based on their pro rata share and is calculated using the market value unit method. An annual spending rate for donor related pooled funds is approved by the Board of Trustees annually (see Note 12). Realized gains and losses from the sale of securities are computed using the average cost method.

The investment pool's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment.

In the absence of donor restrictions, investment income, including realized gains and losses, is reflected in the accompanying consolidated statement of operations within other revenue. The net change in unrealized gains and losses on investments and the change in value of alternative investments, arising from pooled investments, are reported as other items.

(g) Inventories

Inventories (included in other current assets) are stated at the lower of cost or net realizable value.

(h) Assets Limited or Restricted as to Use

Assets so classified represent assets whose use is restricted by donors, bond indenture agreements, internally designated for specific purposes, or under terms of other agreements. These assets consist primarily of U.S. Treasury obligations held in the bond trustees' accounts and money market funds.

(i) Property, Plant, and Equipment, Net

Property, plant, and equipment are stated at cost. Those acquired through acquisition of businesses, gifts and bequests are stated at appraised or fair value established at the date of the transaction. The carrying amounts of assets and the related accumulated depreciation and amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operating results.

Annual provisions for depreciation are made based upon the straight-line method using a half-year convention over the estimated useful lives of the assets, ranging from 3 to 40 years.

(j) Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets, or a related group of assets, may not be recoverable. Long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the underlying tangible assets. When the carrying value of an asset exceeds its estimated recoverability, an asset impairment charge is recognized for the difference between the fair value and carrying value of the asset.

(k) Leases

The System determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and operating lease liabilities in the accompanying consolidated statement of financial position. ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term using a risk-free discount rate determined using a period comparable with that of the lease term. The ROU asset also includes any prepaid rent while excluding lease incentives and initial direct costs incurred. Lease expense for operating minimum lease payments is recognized on a straight-line basis over the full lease term.

Finance leases are included in property, plant, and equipment, net and long-term debt in the accompanying consolidated statement of financial position. Finance lease assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term using the explicit interest rate, when available. If an explicit interest rate is not available, the System applies a risk-free discount rate determined using a period comparable with that of the lease term. Finance lease assets are amortized on a straight-line basis over the lease term with such amortization presented in depreciation and amortization in the accompanying consolidated statement of operations. Interest on finance leases is calculated using the effective interest method and presented in interest expense in the accompanying consolidated statement of operations.

(l) Benefits and Insurance

The System is self-insured for medical, dental, hospitalization, workers' compensation and prescription drug benefits provided to employees and has a stop-loss arrangement to limit exposure for these self-insured benefits. These costs are included in employee benefits expense in the accompanying statement of operations.

(m) Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the System. These net assets may be used at the discretion of the System's management and the Board of Trustees.

(n) Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use by the System has been limited by donors to a specific time period or purpose. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the System or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified as net assets released from restrictions for operations or as net assets released from restrictions for capital purposes in the accompanying consolidated statements of operations and changes in net assets.

(o) Other Revenue

Other revenue includes income from federal and non-federal grants and contracts, pharmacy sales, royalty revenue, investment income, affiliation revenue from New York City Health and Hospitals Corporation, tuition and fee revenue, contribution revenue, net assets released from restrictions for operations, and other miscellaneous revenue items.

(p) Grants and Contracts Revenue

Grants and contracts revenue represents reimbursement of costs incurred in direct support of federally and non-federally funded sponsored research and clinical trials and other sponsored activities of the System. The System does not record conditional grants or contracts revenue until performance of the conditions or when the barriers on which they depend, as stated in the contracts, have been substantially met. Exchange transactions are recognized as revenue at the amount that reflects the consideration to which the System expects to be entitled in exchange for performance under the contract.

(q) Contributions and Unconditional Promises to Give

Contributions, including unconditional promises to give cash and other assets (pledges), are reported at fair value on the date received. The gifts are reported as net assets with donor restrictions if they are received with donor-imposed stipulations that limit the use of the donated assets. Donor restricted contributions, whose restrictions and conditions are met within the same year as the contributions are received, are recorded as other revenue.

Conditional contributions are recognized as revenue when the conditions or barriers on which they depend have been substantially met. Pledges are recorded net of estimated uncollectible amounts and promises to give that are due in future years are discounted to present value.

(r) Performance Indicator

The consolidated statement of operations includes the excess of revenue over expenses as the performance indicator. Changes in net assets without donor restrictions which are excluded from the excess of revenue over expenses include changes in pension and postretirement obligations other than net periodic benefit cost, net assets released from restrictions for capital, and other items.

The System differentiates its operating activities through the use of the loss from operations as an intermediate measure of operations. For the purposes of display, items which management does not consider components of the System's operating activities are excluded from this measure and reported as other items in the consolidated statement of operations.

(s) Tax Status

Most entities within the System are not-for-profit corporations as described in Section 501(c)(3) of the Code and are generally exempt from federal income taxes pursuant to Section 501(a) of the Code.

Certain entities of the System are for-profit entities. Provisions for income taxes and deferred taxes, where applicable, have been made for the taxable entities of the System. Taxable operations and the potential for income taxes from these entities and unrelated business income activities of the tax-exempt entities are not significant to the accompanying consolidated financial statements.

The System evaluates tax positions taken or expected to be taken in the course of preparing the System's tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority based upon the technical merits of the position. The System recognizes the effect of tax positions only if they are more likely than not of being sustained. This evaluation had no impact on the operations of the System as of and for the year ended December 31, 2024.

(t) Related Organizations

Transactions among MSHS and its related organizations relate principally to the sharing of certain services, facilities, equipment, personnel and other shared services. Such transactions are allocated among the entities based on the approximate cost to provide the services and an agreed upon method which reflects the approximate level of usage by each entity. In addition, the MSHG hospitals purchase professional services from ISMMS for the clinical care of its patients, teaching and supervision of its residents, the performance of certain administrative functions, and various strategic initiatives (CARTS). As noted above, intercompany balances and transactions are eliminated in consolidation.

For the year ended December 31, 2024, MSH wrote-off approximately $139.6 million for amounts considered uncollectable from SLR, which is included as a transfer to SLR in MSH's consolidated statement of operations.

Also, MSH transfers to affiliates of $103.6 million for the year ended December 31, 2024 consisted of $95.2 million for MSH's funding of ISMMS' community practice plan deficits and $8.4 million in transfers to MSMCRRC.

MSH guarantees several leases entered into by BIMC and ISMMS with total rent payments remaining at December 31, 2024 of approximately $466.8 million and $171.0 million, respectively, and remaining lease terms varying from 18-30 years. MSH guarantees payment if BIMC were unable to make payments under an event of default. MSH guarantees payment up to a maximum of $45.0 million if ISMMS were unable to make payments under an event of default.

(u) COVID-19 Update

The System applied for reimbursement for qualifying expenses under the Federal Emergency Management Agency (FEMA) Disaster Relief Fund. During 2024, the System recognized approximately $183.6 million of obligated reimbursement grants from FEMA. The FEMA grants are reported within other revenue as they are for reimbursement of operating costs. The receivable related to FEMA obligated reimbursement payments was approximately $183.6 million at December 31, 2024 and is recorded within other current assets in the accompanying consolidated statement of financial position.

(2) Patient Accounts Receivable, Net and Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration for which the System expects to be entitled in exchange for providing patient care. The System uses a portfolio approach to account for categories of patient contracts as collective groups rather than recognizing revenue on an individual contract basis. The portfolio consists of major payor classes for inpatient revenue and outpatient revenue. Based on historical collection trends and other analyses, the System believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Full-time faculty members and non-faculty physicians of MSH, BIMC, SLR, SNCH, and NYEEI may participate in ISMMS's faculty practice plan or community practice plan. All of these activities are included within patient service revenue within the accompanying consolidated statement of operations. Plan participants are authorized to conduct a private practice and engage in professional consultation in accordance with established institutional guidelines. Professional service fee receipts are recorded and deposited in private practice funds established by ISMMS for each individual participant or group practice when received by ISMMS. Portions of these receipts are used to support ISMMS activities and to reimburse ISMMS for indirect costs incurred in supporting plan activities. The remaining amounts, after direct plan expenses, provide participant salary supplements and support ISMMS departmental activities.

The System's initial estimate of the transaction price for services provided to patients is determined by reducing the total standard charges related to the patient services provided by various elements of variable consideration, including contractual adjustments, discounts, implicit price concessions, and other reductions to the System's standard charges and include provisions for variable consideration for retroactive revenue adjustments, including adjustments due to the settlement of ongoing and future audits, reviews, and investigations. The System determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered (see description of third-party payor payment programs below). The estimates for contractual allowances and discounts are based on contractual agreements, the System's discount policies and historical experience. For uninsured and under-insured patients who do not qualify for charity care, the System determines the transaction price associated with services rendered on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on the System's historical collection experience for applicable patient portfolios.

Generally, the System bills patients and third-party payors after the services are performed and the patient is discharged. Patient service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the System. Patient service revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. The System 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 the System's outpatient settings. The System measures the performance obligation from admission into the System or the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or the completion of the outpatient visit.

Substantially all of the System's performance obligations relate to contracts with a duration of less than one year. Unsatisfied or partially unsatisfied performance obligations primarily relate to inpatient acute care services at the end of the reporting period for patients who remain admitted at that time (in-house patients). The performance obligations for in-house patients are generally completed when the patients are discharged, which for the majority of the System's in-house patients occurs within days or weeks after the end of the reporting period.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to patient service revenue in the period of the change. For the year ended December 31, 2024, changes in the System'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 based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay based on current or future estimated credit losses (determined on a portfolio basis when applicable) are recorded as bad debt expense. Bad debt expense for the year ended December 31, 2024 was not significant.

The System has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors: payors, lines of business and timing of when revenue is recognized. Tables providing details of these factors are presented below.

Patient service revenue disaggregated by payor compromises the following for the year ended December 31, 2024 (in thousands):

Medicare & Medicare managed care	$	2,894,441
Medicaid & Medicaid managed care		1,372,777
Blue Cross		1,418,262
Managed care		1,897,665
Commercial and other		844,158
Self-pay		222,529
Total	$	8,649,832

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

Patient service revenue disaggregated by lines of service comprises the following for the year ended December 31, 2024 (in thousands):

Inpatient services	$	4,305,373
Outpatient services		4,344,459
Total	$	8,649,832

Patient accounts receivable, net is comprised of the following components at December 31, 2024 (in thousands):

Patient receivables	$	1,124,363
Contract assets		68,726
Total	$	1,193,089

Contract assets are related to in-house patients who were provided services during the reporting period but were not discharged as of the reporting date and for which the System may not have the right to bill.

(a) Third-Party Payment Programs

The System has agreements with third-party payors that provide for payment for services rendered at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare: Hospitals are paid for most Medicare patient services under national prospective payment systems and other methodologies of the Medicare program for certain other services. Federal regulations provide for adjustments to current and prior years' payment rates, based on industry-wide and Hospital-specific data.

Non-Medicare: In New York State, hospitals and all non-Medicare payors (including Medicare and Medicaid managed care plans), except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospitals' payment rates. Payments to hospitals for Medicaid, workers' compensation and no-fault inpatient services are based on a statewide prospective payment system, with retroactive and/or prospective adjustments. Outpatient services also are paid based on a statewide prospective system. Medicaid rate methodologies are subject to approval at the Federal level by the Centers for Medicare and Medicaid Services (CMS), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS is not recognized until the System is reasonably assured that such amounts are realizable. Adjustments to the current and prior years' payment rates for those payors will continue to be made in future years.

Other Third-Party Payors: The System also has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge or days of hospitalization and discounts from established charges.

Medicare cost reports, which serve as the basis for final settlement with the Medicare program, have been audited by the Medicare fiscal intermediary and settled through 2018 for MSH and through 2018 for the other System hospitals, although revisions to final settlements or other retroactive changes could be made in subsequent years. Certain cost report years and various issues remain open for audit and settlement, as are numerous issues related to the New York State Medicaid program for prior years. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled, audits are completed and additional information is obtained.

Settlements with third-party payors (see description of third-party payor payment programs above) for cost report filings and retroactive adjustments due to ongoing and future audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the System'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. For the year ended December 31, 2024, the net effect of the System's revisions to prior year estimates was an increase to patient service revenue of approximately $44.4 million.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the System. The System is not aware of any allegations of non-compliance that could have a material adverse effect on the accompanying consolidated financial statements and believes that it is in compliance in all material respects with all applicable laws and regulations. In addition, certain contracts the System has with commercial payors also provide for retroactive audit and review of claims.

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

The System grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. Significant concentrations of patient accounts receivable, net at December 31, 2024, are as follows:

Medicare & Medicare managed care	15%
Medicaid & Medicaid managed care	19
Blue Cross	14
Managed care and other	49
Self-pay	3
Total	100%

(b) Uncompensated Care

For patients who are deemed eligible for charity care and patients who apply and qualify for financial aid under the System's financial aid policies, care given but not paid for is classified as charity care. For the year ended December 31, 2024, the estimated cost of charity care was approximately $79.0 million. The estimated cost of charity care includes the direct and indirect cost of providing charity care services and is estimated by utilizing a ratio of cost to standard charges applied to the uncompensated charges associated with providing charity care.

(c) Vital Access Provider Safety Net Program and Medicaid Enhanced Rates

In September 2015, MSHG entered into a Vital Access Provider/Safety Net Program Temporary Medicaid Rate Adjustment Agreement (the TRA Agreement) with the NYSDOH to participate in the Vital Access Provider/Safety Net Program (VAP). MSHG was awarded approximately $81.4 million in VAP funding over three years. The NYSDOH had also agreed to provide MSH, BIMC, and NYEEI with a temporary Medicaid rate enhancement for three years. The enhanced Medicaid rates were paid to MSH, BIMC, and NYEEI directly by the Medicaid program or Medicaid managed care payors as patient services were rendered. As an express condition of receipt of the Medicaid rate enhancement, MSHG committed to complete a full asset merger (FAM) of MSH, BIMC, SLR and NYEEI.

On February 1, 2022, MSHG entered into a Medicaid Liability Repayment Agreement (the MLRA Agreement) with the NYSDOH, whereby MSH, BIMC, and NYEEI collectively agreed to implement a schedule for phased recoupment of the Medicaid temporary rate adjustment provided to MSHG pursuant to the TRA Agreement as MSHG did not consummate the FAM. MSHG and the NYSDOH have agreed to the repayment of approximately $96.9 million (the TRA Amount) to be paid in ten equal annual installments that commenced on March 15, 2022. At December 31, 2024, approximately $9.7 million is included in other current liabilities with the remaining obligation of $52.2 million included within other liabilities at the present value. The allocation of the total recoupment amount to MSHG member hospitals was based on revenue recognized as a result of the Medicaid rate enhancement for each member hospital, respectively.

Upon repayment of the TRA Amount, MSHG will have satisfied all obligations under the MLRA Agreement and shall have no obligation to undertake the FAM. In the event that MSHG effectuates the FAM prior to January 1, 2031, there will be no further obligated recoupment payments. The likelihood that a FAM will be completed prior to January 1, 2031 is considered to be remote and, as such, MSH, BIMC, and NYEEI have recognized liabilities for the present value of the estimated recoupment payments. No repayment amounts have been allocated to SLR and SNCH as they were not a party to the original TRA Agreement.

(3) Investments and Assets Limited or Restricted as to Use

Investments, as well as cash and cash equivalents, are maintained at December 31, 2024 as follows (in thousands):

Cash and cash equivalents	$	1,224,215
Pooled investments		2,127,146
Non-pooled investments		636,351
Assets limited or restricted as to use		103,781
Total	$	4,091,493

The following table summarizes the composition of investments at December 31, 2024 (in thousands):

		Pooled investments		Non-pooled investments
Cash and cash equivalents	$	107,831	$	76,517
Mutual funds		7,039		164,740
U.S. equities		164,774		221,193
Other investments		–		173,901
Alternative investments:				
Hedge funds:				
Long-only equity[(a)]		417,847		–
Long/short equity[(b)]		105,204		–
Long/short credit[(c)]		44,388		–
Hedged/market neutral[(d)]		335,373		–
Private investments:				
Equity[(e)]		672,820		–
Credit/distressed[(f)]		144,150		–
Real assets[(g)]		127,720		–
Total	$	2,127,146	$	636,351

(a) Investments, consisting of publicly traded equity holdings with long positions.

(b) Investments, consisting primarily of publicly traded equity holdings with both long and short positions.

(c) Investments, consisting primarily of publicly traded credit holdings with both long and short positions.

(d) Investments with a balanced mix of asset exposures and strategies. Underlying exposures primarily include publicly traded equity and credit positions in relative value and various arbitrage strategies. Investments may reflect a tilt towards equity or credit with hedging.

(e) Investments targeting buyout, growth equity, and venture opportunities that require time to reach realization.

(f) Investments in structured credit, claims, distressed positions of either a minority or controlling interest that require time to reach realization.

(g) Real estate, natural resources, and asset backed royalty investments that require time to reach realization.

The total return on investments recorded in the accompanying consolidated statement of operations comprises the following for the year ended December 31, 2024 (in thousands):

Interest and dividend and other income	$	26,162
Net realized gains and losses on sales of securities		188,931
Fees and other expenses		(5,312)
Subtotal (included in other revenue in the consolidated statement of operations)		209,781
Net change in unrealized gains and losses on investments		372,958
Total	$	582,739

Assets limited or restricted as to use, consist mainly of cash and cash equivalents and fixed income securities consist of the following at December 31, 2024 (in thousands):

Donor-restricted funds, net	$	939
Funds held by bond trustees under bond indenture agreements		61,605
Internally designated funds for specific use		32,837
Other limited use funds		8,400
	$	103,781

Assets held under bond indenture agreements are maintained for the following purposes at December 31, 2024 (in thousands):

Capital project funds	$	42,307
Debt service fund		19,298
	$	61,605

(4) Fair Values of Financial Instruments

For assets and liabilities requiring fair value measurement, the System 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. The System follows a fair value hierarchy based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

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

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

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

In determining fair value, the System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers nonperformance risk in its assessment of fair value. Investments valued based upon NAV are not subject to the valuation hierarchy.

Financial assets carried at fair value by the System as of December 31, 2024 are classified in the table below in one of the three categories described above (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents and money market funds	$ 1,408,563	$ –	$ –	$ 1,408,563
Equity securities	385,967	–	–	385,967
Mutual funds	269,967	–	–	269,967
Other investments	55,683	10,252	–	65,935
Total	$ 2,120,180	$ 10,252	$ –	$ 2,130,432

The table does not include investments measured at NAV as a practical expedient of $1.8 billion and other investments that are not carried at fair value of approximately $113.6 million at December 31, 2024.

The following is a summary of investments (by major category) with restrictions to redeem the investments at the measurement date, any unfunded capital commitments, and investment strategies of the investees as of December 31, 2024:

Description of investment	Carrying value	Unfunded commitments	Redemption frequency	Redemption notice period	Funds availability
Hedge funds:					
Long-only equity	$ 311,842	$ –	Quarterly/annual	45-90 days	14-30 days
Long-only equity	106,005	–	Rolling 3 years	90 days	14 days
Long/short equity	105,204	–	Quarterly	60 to 90 days	30 days
Long/short credit	44,388	–	Quarterly	90 days	120 days
Hedged/market neutral	205,771	–	Quarterly	60 to 65 days	30 days
Hedged/market neutral	129,602	–	Rolling 2 years	90 days	90 days
Private investments:					
Equity	672,820	218,453	*	*	*
Credit/distressed	144,150	26,538	*	*	*
Real assets	127,720	5,248	*	*	*
Total	$ 1,847,502	$ 250,239			

* MSMC liquidity restrictions range from several months to greater than 10 years for certain private investments. Liquidity restrictions may apply to all or a portion of a particular invested amount.

(5) Liquidity and Available Resources

Financial assets available for general expenditure within one year of the consolidated statement of financial position date consist of the following at December 31, 2024 (in thousands):

Financial assets:	
Cash and cash equivalents	$ 1,224,215
Short-term investments	263,702
Patient accounts receivables, net	1,193,089
Rent receivables	7,686
Assets limited or restricted as to use - internally designated	32,837
Investments	1,066,276
Total financial assets available to meet cash needs for general expenditures within one year	$ 3,787,805

The System has certain internally designated assets limited or restricted as to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the information above. The System has other assets limited or restricted to use for donor-restricted purposes and debt service. These assets limited or restricted as to use, which are more fully described in Note 3, are not available for general expenditure within the next year and are not reflected in the amounts above. Certain entities maintain lines of credit which are disclosed in Note 7, which provide an additional source of liquidity and are not reflected in the amounts above.

(6) Property, Plant, and Equipment

A summary of property, plant, and equipment, net is as follows at December 31, 2024 (in thousands):

Land and improvements	$	865,425
Leasehold		220,308
Buildings and improvements		6,496,041
Fixed equipment		1,372,272
Movable equipment		3,804,658
		12,758,704
Less: accumulated depreciation and amortization		(7,457,866)
Add: construction in progress		499,940
Total	$	5,800,778

Assets under finance leases approximate $910.9 million at December 31, 2024, and are included in buildings and improvements and movable equipment ($754.0 million at December 31, 2024, net of accumulated amortization).

The System capitalizes costs incurred in connection with the development of internal use software or purchased software modified for internal use. In 2024, approximately $83.0 million was capitalized.

In 2024, the System wrote off approximately $11.2 million of fully depreciated assets that were no longer in use.

Substantially all property, plant, and equipment have been pledged as collateral under various debt agreements (see Note 7).

(7) Long-Term Debt

Each entity as noted below is the primary obligor for its long-term debt, although certain debt instruments have been guaranteed by other System entities. A summary of long-term debt is as follows at December 31, 2024 (in thousands):

MSH Series 2013 bonds[(a)]	$	78,400
MSH Series 2017 bonds[(b)]		382,000
MSH Series 2019 bonds[(c)]		500,000
MSH Series 2020 bonds[(d)]		400,000
ISMMS Series 2015A bonds[(e)]		410,580
SNCH Series 2018 bonds[(f)]		90,000
SNCH Series 2022 bonds[(g)]		81,322
102nd Street Series 2010A bonds[(h)]		135,690
102nd Street Series 2010B bonds[(h)]		5,310
MSH note payable[(i)]		87,416
MSH loan[(j)]		9,516
59th Street mortgage loan[(k)]		19,025
A&J and MSMCRRC mortgage loan[(l)]		218,263
SLR mortgage loan[(m)]		102,370
SNCH mortgage loan[(n)]		5,917
Finance leases with various interest rates (Note 8)		1,053,524
Total long-term debt	$	3,579,333
Add: unamortized bond premium		21,425
Less: unamortized bond discount		(450)
Less: deferred financing costs, net		(15,059)
Less: current portion		(68,667)
Long-term portion	$	3,516,582

(a) In December 2013, Build NYC Resource Corporation issued $112.0 million of tax-exempt bonds (MSH Series 2013 bonds) on behalf of MSH. In June 2020, MSH refinanced the bonds and the term was extended by twelve years to 2032 at an interest rate of 1.88%. The bonds were privately placed with TD Bank.

(b) In December 2017, MSH issued $382.0 million of taxable bonds (MSH Series 2017 bonds) with interest rates ranging from 3.83% to 3.98%. The bonds are structured with interest only payments until 2031 and two bullet maturities: one in 2035 and the second in 2048. There are mandatory annual sinking payments beginning in 2031.

(c) In November 2019, MSH issued $500.0 million of taxable bonds (MSH Series 2019 bonds) with an interest rate of 3.74%. The bonds are structured with interest only payments through 2044 and one bullet maturity in 2049. Annual sinking fund payments begin in 2045.

(d) In September 2020, MSH issued $400.0 million of taxable bonds (MSH Series 2020 bonds) with an interest rate of 3.39%. The MSH Series 2020 bonds are structured with interest only payments through 2049 and one bullet maturity in 2050.

(e) In August 2015, the Dormitory Authority of the State of New York issued on behalf of ISMMS $512.4 million of tax-exempt bonds (ISMMS Series 2015A bonds) with interest rates ranging from 2.50% to 5.00%. The principal on the bonds is payable on July 1 of every year through July 1, 2045. Interest payments are due on January 1 and July 1 of each year.

(f) In February 2018, SNCH issued $90.0 million of Series 2018 taxable bonds (SNCH Series 2018 bonds). The principal of $90.0 million is due on the maturity date of August 1, 2048. Interest payments are due on February 1 and August 1 of each year, at a fixed rate of 4.65%.

(g) In October 2022, SNCH issued $90.0 million of Series 2022 tax-exempt bonds (SNCH Series 2022 bonds). The principal on the bonds is payable on July 1 of every year through July 1, 2047. Interest payments are due on January 1 and July 1 of each year, at a fixed rate of 2.62%.

(h) In September 2010 and October 2011, the New York Housing Finance Agency, issued $135.7 million of variable rate 2010 Series A tax-exempt bonds (102nd Street Series 2010A bonds) and $8.0 million of variable rate 2010 Series B taxable bonds (102nd Street Series 2010B bonds) on behalf of the Manager. Principal and interest for the Series 2010A and Series 2010B bonds are due monthly through May 1, 2044 and the interest rates at December 31, 2024 were 3.6% and 4.5%, respectively. The Manager maintains an irrevocable direct pay letter of credit for $143.7 million to support the 102nd Street Series 2010A and 2010B bonds. The letter of credit expires on September 27, 2027. MSH is the guarantor of the letter of credit.

(i) In August 2014, MSH purchased a leasehold condominium interest financed through the issuance of a promissory note payable (MSH note payable) with a principal amount of $110.1 million, with interest at a rate of 8%, and payments beginning in June 2015 and ending in March 2046.

(j) In January 2022, MSH entered into a fifty month loan (MSH loan) with GE Healthcare Financial Services with installment payments for the acquisition of certain equipment and related costs.

(k) In April 2008, 425 West 59th Street Condominium, LLC, an affiliate of SLR, entered into a $44.5 million mortgage (59th Street mortgage) for commercial condominiums with a twenty-year term and an interest rate of 6.22% per annum. Payment of principal and interest are due monthly and the mortgage is collateralized by the condominiums.

(l) In November 2018, Augustus & James Corporation (A&J), an affiliate of SLR, and MSMCRRC refinanced their then outstanding mortgage loans with a ten-year mortgage loan (A&J and MSMCRRC mortgage loan). The A&J and MSMCRRC mortgage loan has an interest rate of 4.10% and payments of principal and interest are due quarterly with a final principal payment of approximately $196.2 million due in November 2028.

(m) In November 2005, SLR refinanced an existing Federal Housing Administration (FHA) Section 241 Loan with an FHA Section 223 Loan (SLR mortgage loan), which now bears interest at a fixed rate of 3.56%. Payments of principal and interest are due monthly through May 2030.

(n) In December 2016, SNCH entered into a mortgage loan note with TD Bank (SNCH mortgage loan) for $8.5 million with an interest rate of 4.03% and is payable in monthly installments through December 2026, with a final payment of $5.1 million in January 2027.

The terms of the various financing arrangements between the System's subsidiaries and their respective lenders require the System's subsidiaries to maintain certain financial and non-financial covenants. The System and its subsidiaries were in compliance with all financial ratio covenants as of December 31, 2024. As security for its various obligations under the debt agreements, the System has pledged as collateral certain property, plant, and equipment, certain gross receipts and revenues, and limitations on use of certain assets.

SNCH maintains two revolving lines of credit totaling $40.0 million. The lines are set to expire on June 30, 2025 and July 1, 2025, respectively. The lines of credit allow repayment at any time during the term and require that any remaining unpaid balance be repaid at the expiration date. Outstanding loans bear interest at the Bloomberg Short-Term Bank Yield Index rate plus 0.75% or Prime Floating rate with a floor of 2.75% or Term AMERIBOR with a floor of 2.75%. SNCH had no outstanding balance on the lines of credit at December 31, 2024.

MSH maintains a revolving line of credit with a bank totaling $100.0 million. The line is set to expire on March 19, 2027. The line of credit allows repayment at any time during the term and requires any remaining unpaid balance be repaid at the expiration date. Outstanding loans bear interest at the Secured Overnight Financing Rate (SOFR) plus 0.80%. MSH had no outstanding balance on the line of credit at December 31, 2024.

Principal payments on long-term debt, excluding finance leases (see Note 8), subsequent to December 31, 2024 are as follows (in thousands):

2025	$	56,625
2026		64,659
2027		67,487
2028		153,987
2029		51,705
Thereafter		2,131,346
Total	$	2,525,809

In 2024, the System capitalized net interest of approximately $11.8 million relating to construction activity in progress.

(8) Leases

The System leases certain property and equipment under finance and operating leases, the classification of which is based on the underlying terms of the agreement and certain criteria, such as lease term relative to useful life and total lease payments compared to fair value, among others. Finance leases result in an accounting treatment similar to an acquisition of the asset.

For operating leases, the System has made an accounting policy election not to separate lease components and non-lease components in contracts when determining ROU assets and operating lease liabilities for real estate leases and to separate lease components and non-lease components for equipment leases. The System has also made an election not to record leases with an initial term of less than one year as ROU assets and operating lease liabilities.

For leases with initial terms greater than one year, the System records the related ROU assets and liabilities at the present value of the lease payments to be paid over the life of the related lease. The System's leases may include variable lease payments and renewal options. Variable lease payments are excluded from the amounts used to determine the ROU assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded from the amounts used to determine the ROU assets and liabilities unless the System is reasonably certain to exercise the option to extend the lease.

The System's operating leases are primarily for real estate, including office space and parking, typically with initial terms between 5 and 15 years. The System's finance leases are primarily for real estate, typically with initial terms between 25 and 40 years.

The following schedule summarizes information related to the lease assets and liabilities as of and for the year ended December 31, 2024 (in thousands):

Components of lease balances	Classification in consolidated balance sheets		
Assets:			
Operating lease assets	Right-of-use assets	$	832,398
Finance lease assets	Property, plant, and equipment, net		754,017
Total leased assets		$	1,586,415
Liabilities:			
Operating lease liabilities:			
Current	Current portion of operating lease liabilities	$	55,294
Long-term	Operating lease liabilities, net of current portion		876,395
Total operating lease liabilities		$	931,689
Finance lease liabilities:			
Current	Current portion of long-term debt	$	12,042
Long-term	Long-term debt, net of current portion		1,041,482
Total finance lease liabilities			1,053,524
Total lease liabilities		$	1,985,213

Components of lease expense	Classification in consolidated statements of operations		
Operating lease expense	Supplies and other	$	110,509
Finance lease expense:			
Amortization of leased assets	Depreciation and amortization		35,745
Interest on lease liabilities	Interest		30,001
Total finance lease expense		$	65,746

Lease activity such as variable lease cost and short-term lease cost and sublease income is not considered to be significant.

The following table summarizes the operating cash flows from leases as well as the weighted average remaining lease terms and weighted average discount rates used to determine the lease obligations as of December 31, 2024 (amounts in thousands):

Financing cash flows from finance leases	$	17,252
Operating cash flows from finance leases		30,001
Operating cash flows from operating leases		93,715
Weighted average remaining lease term – finance leases		27 years
Weighted average remaining lease term – operating leases		15 years
Weighted average discount rate – finance leases		2.96%
Weighted average discount rate – operating leases		2.92%

Future maturities of lease liabilities at December 31, 2024 are presented in the following table (in thousands):

		Finance leases		Operating leases
2025	$	47,164	$	84,359
2026		47,482		80,198
2027		47,589		77,004
2028		46,683		73,852
2029		45,268		77,264
Thereafter		1,355,929		804,767
Total lease payments		1,590,115		1,197,444
Less: imputed interest		(531,188)		(261,784)
Less: lease incentives		(5,403)		(3,971)
Total lease obligation		1,053,524		931,689
Less: current portion		(12,042)		(55,294)
Long-term lease obligation	$	1,041,482	$	876,395

As of December 31, 2024, the System has entered into lease agreements with undiscounted lease payments totaling approximately $476.7 million which will commence when the premises are ready for intended use with terms ranging from 20 to 36 years.

(9) Professional Liabilities Insurance Program

The System's estimates of professional liabilities are based upon complex actuarial calculations, which utilize factors such as historical claims experience for the System and related industry factors, trending models, estimates for the payment patterns of future claims, and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

Professional Insurance Liabilities

The System's subsidiaries maintain coverage through various captive and commercial insurance companies. Professional liabilities representing the amount of the System's medical malpractice liabilities that are reinsured from commercial and captive insurance companies are included in professional insurance liabilities in the accompanying consolidated statement of financial position at the actuarially determined present value of approximately $257.7 million, based on discount rates ranging from 0.0%–2.75%, at December 31, 2024. The System has recorded related insurance recoveries receivable of approximately $257.7 million at December 31, 2024, in consideration of the expected insurance recoveries. The current portion of professional insurance liabilities and the related insurance recoveries receivable represent an estimate of expected settlements and insurance recoveries over the next twelve months.

(a) MSH, BIMC and ISMMS Professional Liability

Primary coverage of professional and general liability incidents was provided through participation in a pooled program with certain other health care facilities affiliated with Healthcare Risk Advisors (previously affiliated with the Federation of Jewish Philanthropies of New York). This occurrence-basis insurance coverage participation was with captive insurance companies and commercial insurance companies.

As of December 31, 2024, the System retains ownership interest of 50% in two captive insurance companies. The System follows the equity method of accounting for its investment in the captive insurance companies and has recognized its allocated share of a portion of the program's accumulated surplus. This investment is recorded in investments and is approximately $48.0 million at December 31, 2024.

(b) SLR Professional Liability

Effective July 1, 2004, SLR joined with other unrelated not-for-profit institutions to form a segregated cell captive structure through CCC Insurance Company (CCCI). CCCI formed CCC Insurance Company SCC and implemented a "cell captive" structure which replaced the previous coverage structure. Under the cell captive program, primary coverage for individual claims for each participating hospital is provided through a commercial insurance carrier on an occurrence basis. The first layer of excess coverage under the program utilizes individual cells for each participating hospital, under which invested assets and insurance related liabilities are segregated for each participant and there is no shared risk among the entities. Effective January 1, 2015, the SLR segregated cell went into run off and no longer writes premiums. Subsequent to that date, SLR purchases commercial insurance.

(c) NYEEI Professional Liability

Since June 2003, NYEEI has purchased professional liability insurance on an occurrence-basis from a commercial carrier, with current policy limits of $1.3 million per occurrence/$3.9 million in aggregate as of December 31, 2024.

(d) SNCH Professional Liability

Since August 1, 2013, SNCH has purchased claims-made excess professional liability insurance from a commercial carrier. Under the current policy, the retention limit is approximately $4.0 million per occurrence/$20.0 million in aggregate. As of December 31, 2024, the self-insured retentions maintained by SNCH were approximately $19.6 million and $51.1 million included in other current liabilities and other liabilities, respectively.

Self-Insurance Trust

Effective January 1, 2018, the Mount Sinai Health System Self-Insurance Trust (the Self-Insurance Trust) was established to provide coverage in excess of existing insurance program limits. Currently, MSH, BIMC, SLR, and NYEEI participate in the Self-Insurance Trust, which is irrevocable. Amounts funded into the Self-Insurance Trust are based upon actuarially determined liabilities. These participating members record beneficial interest assets and liabilities relating to the Self-Insurance Trust, which are reflected in the accompanying consolidated financial statements. Excess coverage of the Self-Insurance Trust is extended to ISMMS by the aforementioned members.

As of December 31, 2024, the Self-Insurance Trust held investments of $588.1 million on behalf of the System, net of a receivable of $34.8 million, which is included as beneficial interest in self-insurance trust in the accompanying consolidated statement of financial position.

As of December 31, 2024, the System had actuarially determined liabilities for the Self-Insurance Trust of approximately $553.3 million, discounted at 4%, which is included as self-insurance liabilities in the accompanying consolidated statement of financial position.

(10) Pensions and Similar Plans

The System's subsidiaries sponsor various qualified defined benefit pension plans and defined contribution plans covering certain groups of employees. The benefits provided are based on age, years of service, and compensation as stipulated by the respective plan documents. The System's policy is to fund the pension benefits with at least the minimum amounts required by the Employee Retirement Income Security Act of 1974. The System's defined benefit pension plans, which are sponsored by SLR, NYEEI, and SNCH, were each previously frozen to new participants and benefit accruals.

Certain subsidiaries of the System maintain Section 457(b) plans. Contributions are made solely by the employees through payroll deductions. The contributions are maintained in individual participant accounts held by a custodian and remain an asset of the employer until the participant retires. A corresponding liability is also recorded for these amounts, which is reduced upon the participant's retirement. The balances recorded at December 31, 2024 in other assets and other long-term liabilities in the accompanying statement of financial position were approximately $241.7 million.

Certain System subsidiaries sponsor postretirement plans which provided medical and life insurance benefits to eligible employees; most of the benefit provisions under such plans have been curtailed.

The System recognizes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its defined-benefit pension and postretirement benefits plans, with a corresponding adjustment to net assets without donor restrictions for the portion of the unfunded obligations that have not been recognized as pension and postretirement cost. The adjustment to net assets without donor restrictions represents the net unrecognized actuarial losses and unrecognized prior service cost, which will be subsequently recognized as a component of net periodic pension and postretirement cost through amortization.

The following table provides a reconciliation of the changes in the pension obligation and a statement of the funded status of the plans as of December 31, 2024 (in thousands):

		Defined-benefit pension plans
Change in benefit obligation:		
Benefit obligation at beginning of year	$	433,733
Service cost		1,288
Interest cost		21,125
Actuarial gain		(20,745)
Benefits paid		(30,230)
Benefit obligation at end of year		405,171
Change in plans' assets:		
Fair value of assets at beginning of year		398,299
Actual return on plans' assets		361
Employer contributions		11,750
Benefits paid		(29,526)
Fair value of plans' assets at end of year		380,884
Funded status	$	(24,287)

Pension plan liabilities and pension plan assets are recorded in accrued pension and postretirement liability and other assets in the accompanying consolidated statement of financial position, respectively.

Included in net assets without donor restrictions at December 31, 2024 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized actuarial losses of approximately $36.5 million. Unrecognized actuarial losses represent unexpected changes in the projected benefit obligation and plan assets over time, primarily due to changes in assumed discount rates and investment experience

The actuarial gain in 2024 resulted in an overall decrease in projected benefit obligation at December 31, 2024 of $20.7 million which was primarily attributable to changes in the discount rate assumptions.

The projected pension benefit obligations, accumulated benefit obligations and fair value of the plans' assets were as follows at December 31, 2024 (in thousands):

Projected benefit obligation	$	405,171
Accumulated benefit obligation		405,033
Fair value of plan assets		380,884

The net periodic benefit cost for the year ended December 31, 2024 is as follows (in thousands):

		Defined-benefit pension plans
Service cost	$	1,288
Interest cost		13,457
Expected return on plan assets		(15,651)
Amortization of prior service credit		111
Recognized net actuarial gain (loss)		(428)
Total net periodic benefit cost	$	(1,223)

Weighted-average assumptions used in determining the benefit obligation and net periodic benefit cost as of December 31, 2024 were as follows:

	Defined-benefit pension plans
Weighted average assumptions used to determine benefit obligation:	
Discount rate	5.15 - 5.65%
Rate of compensation increase	0 - 3%
Weighted average assumptions used to determine net benefit cost:	
Discount rate	5.04 - 5.60%
Expected long-term rate of return on plan assets	5.75 - 6.5%
Rate of compensation increase	0 - 3%

The expected long-term rate of return on plan assets for each plan is based on the portfolio as a whole and not the sum of the returns on the individual asset categories. The return is based exclusively on historical returns, without adjustments.

The future cash flows of the System relative to retirement benefits are expected to be as follows (in thousands):

December 31:	
2025	$ 33,373
2026	33,107
2027	33,416
2028	33,040
2029	32,130
2030 to 2034	153,023

The following table presents the System's fair value hierarchy for those pension plan assets measured at fair value as of December 31, 2024 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents and money market funds	$ 26,132	$ –	$ –	$ 26,132
Equity securities	12,987	–	–	12,987
Mutual funds	137,193	4,991	–	142,184
Fixed income	90,148	–	–	90,148
Total	$ 266,460	$ 4,991	$ –	271,451
Investments measured at NAV as a practical expedient				109,433
				$ 380,884

Investments measured at NAV as a practical expedient mainly consist of alternative investments related to hedge funds and private investments.

The weighted-average allocation of the System's pension plan assets at December 31, 2024 was as follows:

Asset category	Target allocation 2025 (varies by Plan)	Percentage of assets (Aggregate all plans)
Cash and cash equivalents	9%	7%
Equity securities	3	3
Mutual funds	36	37
Fixed income	23	24
Alternative investments	29	29
	100%	100%

(11) Multi-Employer Defined Benefit Plans

The System contributes to various multiemployer defined-benefit pension plans under the terms of collective bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single employer plans in the following aspects:

(a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

(b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

(c) If an employer chooses to stop participating in some of its multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The System's participation in these plans for the year ended December 31, 2024 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2024 is for a plan's year-end at December 31, 2023. The zone status is based on information that the System received from the plans and is certified by the plans' actuaries. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreements to which the plans are subject. The System's contributions to the multiemployer plans during the year ended December 31, 2024 are included in the following table (in thousands):

Pension fund	EIN number	Plan number	Pension Protection Act Zone status 2024	FIP/RP Status pending implemented	Contributions by MSHS 2024	Surcharge imposed	Expiration date of collective-bargaining agreement
New York State Nurses Association Pension Plan	13-6604799	1	Green	No	$ 58,940	No	12/31/2025
1199 SEIU Health Care Employees Pension Fund	13-3604862	1	Green	No	106,723	No	9/30/2026

The System was listed in the New York State Nurses Association Pension Plan and 1199 SEIU Health Care Employees Pension Fund Forms 5500 as providing more than 5% of the total contributions during each of the plan's 2023 plan years. At the date the System's consolidated financial statements were issued, Forms 5500 were not yet available for any of the multiemployer plans for the plan year ended in 2024.

(12) Net Assets With Donor Restrictions

Net assets with donor restrictions include endowments that have been restricted by donors to be maintained in perpetuity and invested by the System, with the income expendable to support program activities as stipulated by donors.

The System follows the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA) as it relates to its permanently restricted contributions and net assets.

The System has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies within net assets with donor restrictions the original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Accumulations to the permanent endowment are used in accordance with the direction of the applicable donor gift. The remaining portion of the donor-restricted endowment fund is also classified in net assets with donor restrictions until the amounts are appropriated for expenditure in accordance with a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the institution; (6) the expected total return from income and the appreciation of investments; (7) other resources of the System; and (8) the investment and spending policies of the System. The System's policies provide the guidelines for setting the annual spending rate of 4% and the treatment of any investment returns in excess of the annual spending rate. The endowment spend rate is calculated on the average three-year rolling market value of each endowed fund. Any excess investment returns beyond the spending rate, to the extent available, are added to the endowed fund and classified as net assets with donor restrictions, unless also appropriated for expenditure. The System expends the income distributed from certain restricted assets on an annual basis in support of health care services.

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets are invested in a manner to provide that sufficient assets are available as a source of liquidity for the intended use of the funds, achieve the optimal return possible within the specified risk parameters, prudently invest assets in a high-quality diversified manner, and adhere to the established guidelines.

To satisfy its long-term rate of return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level of the original principal donation. These deficiencies could result from unfavorable market fluctuations that occur shortly after the investment of new donor restricted contributions and continued appropriation for certain programs deemed prudent by the Board of Trustees. There were no deficiencies of this nature that are reported in net assets without donor restrictions as of December 31, 2024.

Net assets with donor restrictions that are temporary in nature are available to support program activities as stipulated by donors. Net assets with donor restrictions that are temporary in nature are restricted as follows at December 31, 2024:

Category:		
Research	$	110,593
Education		90,050
Capital projects		96,432
Other specific-purpose funds		578,860
Total	$	875,935

Net assets with donor restrictions that are perpetual in nature are restricted as follows at December 31, 2024 (in thousands):

Investments to be held in perpetuity, the income from which is restricted for research and other purposes	$	378,384
Investments to be held in perpetuity, the income from which is unrestricted as to use		275,034
Total	$	653,418

Changes in restricted endowment assets for the year ended December 31, 2024 were as follows (in thousands):

	Return on endowment assets with restrictions	Endowment assets
Restricted endowment assets at January 1, 2024	$ 136,558	$ 629,662
Total investment return	48,609	–
Contributions	8	15,292
Appropriation of assets for expenditure	(18,345)	–
Restricted endowment assets at December 31, 2024	$ 166,830	$ 644,954

Donor restricted endowment assets with permanent restrictions presented in the table above exclude ISMMS's pledges receivable with permanent donor restrictions of $8.5 million as of December 31, 2024, which is included within other assets in the accompanying consolidated statement of financial position. Approximately $5.0 million of ISMMS's donor restricted earnings were appropriated for spending from endowment assets but not released from restrictions in 2024.

Investments to be held in perpetuity are included in pooled investments in the accompanying consolidated statement of financial position.

Net assets were released from restrictions in satisfaction of the following restrictions for the year ended December 31, 2024 (in thousands):

Instruction	$ 10,672
Capital projects	43,842
Hospital operations	38,056
Research	66,632
Total	$ 159,202

(13) Functional Expenses

The System provides inpatient and outpatient health care and related services, including graduate medical education, to patients from throughout the world. Expenses related to its services for the year ended December 31, 2024 were as follows:

	Healthcare services	Sponsored research	Basic and clinical science	General and administrative	Total
For the year ended December 31, 2024:					
Salaries and wages	$ 4,486,186	$ 306,330	$ 420,589	$ 716,238	$ 5,929,343
Employee benefits	1,164,278	85,304	109,722	186,059	1,545,363
Supplies and other	3,285,580	244,795	84,794	387,122	4,002,291
Interest	63,348	–	–	52,917	116,265
Depreciation and amortization	336,060	–	–	190,360	526,420
Total	$ 9,335,452	$ 636,429	$ 615,105	$ 1,532,696	$ 12,119,682

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function are allocated on a units of service basis or are otherwise allocated based on revenue.

(14) Commitments and Contingencies

(a) Litigation

The System is a defendant in various legal actions arising out of the normal course of its operations, the final outcome of which cannot presently be determined. Management is of the opinion that the ultimate liability, if any, with respect to all of these matters will not have a material adverse effect on the System's consolidated financial position.

(b) Collective Bargaining Agreements

Approximately 45% of the System's employees are members of various unions who are covered under the terms of various collective bargaining agreements, of which approximately 30% of the covered employees are under a contract that expires on December 31, 2025.

(c) Other

The System is self-insured, based on individual employees' elections, for medical, dental, and pharmaceutical benefits. The System also is self-insured for unemployment benefits and worker's compensation. Liabilities have been accrued at December 31, 2024 based on expected future payments (included in accrued salaries and related liabilities).

(15) Other Revenue

Other revenue includes operating revenues that are not directly related to the System's patient services. Other revenue consisted of the following (in thousands):

Federal grants and contracts	$	689,469
Other grants and contracts		219,332
FEMA revenue (see Note 1)		183,626
Pharmacy sales		871,930
Tuition and fee revenue		43,244
Distributions from Healthfirst		58,588
Rental income		68,543
Contribution revenue		71,915
Affiliation revenue from New York City Health and Hospitals Corporation		332,725
Royalty revenue		54,205
Investment income		209,781
Net assets released from restrictions for operations		115,360
Other		285,728
	$	3,204,446

(16) Pledges Receivable

Pledges receivable, representing unconditional promises to give to the System, recorded net of a present value discount (based on a range of interest rates of 2.36% to 4.68%) and valuation allowance, are reported within other assets and consist of the following at December 31, 2024 (in thousands):

Unconditional promises to give before discount to present value and valuation allowance	$	187,881
Less: present value discount and valuation allowance		(25,048)
Net pledges receivable	$	162,833

Pledges receivable are due to be collected over the following periods at December 31, 2024 (in thousands):

Within one year	$	62,002
One to five years		99,609
More than five years		1,222
Total pledges receivable	$	162,833

ISMMS is party to a pledge agreement among ISMMS, MSH, Carl C. Icahn (the Donor) and The Icahn Medical Research Foundation (the Icahn Foundation). The pledge will be paid by the Donor to the Icahn Foundation solely for use by the Icahn Institute of Medical Research at Mount Sinai LLC (the MRO), a single member limited liability company of which the Icahn Foundation is the sole member, to conduct research in conjunction with ISMMS and MSH pursuant to terms of a collaboration agreement. The purpose of the collaboration agreement and the establishment of the MRO is to enable ISMMS, MSH, the Icahn Foundation and the MRO to closely cooperate in a joint effort to conduct research in the fields of genomics, multi-scale biology and related matters.

(17) Agreements With the New York City Health and Hospitals Corporation

Pursuant to various agreements with New York City Health and Hospitals Corporation (HHC), ISMMS provides professional, medical and other services for the operations of Elmhurst Hospital Center (Elmhurst) and Queens Hospital Center (Queens). For services provided under the agreements, ISMMS is reimbursed for costs incurred, plus overhead, but not in excess of amounts specified in the agreements. Certain costs are funded by the operations of faculty practice group arrangements at Elmhurst and Queens, which are independent of other School programs, under a letter of understanding with HHC. The agreement expired on June 30, 2020, and was extended an additional six months. Since the expiration of the six-month extension, the contract continues to be extended on a month-to-month basis. HHC and ISMMS are negotiating a new five-year contract. A fiscal year budget is proposed and agreed upon before the start of each fiscal year during this period of negotiation.

The agreements with HHC do not permit the accrual of vacation and retirement benefits. ISMMS would be liable for such benefits only upon termination of the agreements; however, ISMMS's liability would be limited to amounts due based on benefits policies in effect at that time upon termination of the agreements.

ISMMS's arrangements with HHC are subject to final settlements based on future audits; however, ISMMS anticipates that the effects of future final settlements will not be material.

(18) Employee Relocation Loan Program

The System maintains an employee relocation loan program whereby ISMMS participates in a portion of the financing of the primary residence mortgage of eligible faculty members. All taxes, insurance and repair and maintenance costs of the residence are the responsibility of the faculty members. If the faculty member's employment is terminated before the mortgage is repaid, the faculty member may purchase ISMMS's share of the equity and assume the remainder of ISMMS's mortgage obligation on the property, or the residence will be sold in accordance with the employee relocation loan program agreement and ISMMS will be entitled to a portion of the proceeds. ISMMS's participation in this program aggregated approximately $89.1 million at December 31, 2024.

(19) Sponsored Research

Research grants and contracts generally provide for the recovery of direct and indirect costs. The System recognizes revenue associated with direct costs as conditional barriers are met and the related costs are incurred. Recovery of related indirect costs is recorded using facilities and administrative rates negotiated with the federal government and other sponsors. Direct expenditures under federal research projects totaled approximately $474.1 million and is recorded as a component of federal grants and contracts within other revenue in the accompanying consolidated statement of operations for the year ended December 31, 2024.

The System's principal source of federal research funds is the U.S. Department of Health and Human Services. Federal and other research grants and contracts awarded but for which expenditures have not yet been incurred or cash has not been received approximated $512.5 million as of December 31, 2024.

(20) BIMC Phillips School of Nursing

Summary of financial information for the Mount Sinai Phillips School of Nursing for the year ended December 31, 2024 is included in the table below (in thousands):

Total revenue	$	11,886
Salaries and wages		3,633
Employee benefits		899
Supplies and other		1,252
Depreciation and amortization		2,827
Total expenses	$	8,611

(21) Department of Education Title IV

U.S. Department of Education regulations require additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV regulations. The information through the year ended December 31, 2024 is as follows:

		BIMC		ISMMS
Assets				
Property, plant and equipment, net at January 1, 2024	$	754,540	$	1,371,318
Debt-financed property, plant and equipment, net acquired during 2024		–		48,988
Property, plant and equipment, net acquired without debt during 2024		(46,931)		(5,180)
Net change in construction in progress		21,015		(41,148)
Property, plant and equipment, net at December 31, 2024		728,624		1,373,978
Secured and unsecured related party receivable		18,255		18,449
Unsecured related party receivable		18,255		18,449
Right-of-use assets at January 1, 2024		344,319		734,777
Right-of-use assets at December 31, 2024		322,241		715,035

	BIMC	ISMMS
Liabilities		
Long-term debt, pre-implementation	$ –	$ 430,415
Long-term debt, post-implementation	–	554,238
	–	984,653
Lease liabilities at January 1, 2024	441,234	950,087
Lease liabilities at December 31, 2024	387,146	941,487
Net Assets		
Net assets with donor restrictions: purpose and time restrictions	20,414	634,435
Net assets with donor restrictions: restricted in perpetuity	12,234	459,177
Revenues without donor restrictions		
Total operating revenue	1,020,170	4,312,105
Net change in net unrealized gains and losses on investments	4,470	255,173
Net assets released from restriction for capital	–	5,597
Transfer from affiliate	–	1,708
Other items	5,492	395
	$ 1,030,132	$ 4,574,978

(22) Subsequent Events

For purposes of the accompanying consolidated financial statements, the System has considered for accounting and disclosure events that occurred through May 30, 2025, the date the consolidated financial statements were issued.

There were no subsequent events or transactions that either resulted in recognition in the accompanying consolidated financial statements or required additional disclosure except for the closure of the 16th Street campus disclosed in Note 1.

Supplementary Information

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Financial Position

(In thousands)

December 31, 2024

	The Mount Sinai Hospital	Beth Israel Medical Center and Affiliates	The New York Eye and Ear Infirmary and Affiliates	South Nassau Communities Hospital and Subsidiaries	The St. Luke's-Roosevelt Hospital Center and Affiliates	Icahn School of Medicine at Mount Sinai	The Mount Sinai Medical Center, Inc.	MSMC Residential Realty LLC	MSMC Realty Corporation	8 East 102nd Street Manager LLC	Other entities	Elimination & consolidating entries	Consolidated balance
Assets													
Current assets:													
Cash and cash equivalents	$ 707,306	$ 22,409	$ 5,925	$ 227,763	$ 100,542	$ 146,723	$ –	$ 6,511	$ –	$ 1,579	$ 5,457	$ –	$ 1,224,215
Short-term investments	44,599	1,144	14,623	–	2,418	251,674	–	–	–	–	–	(50,756)	263,702
Current portion of assets limited or restricted as to use	28,325	–	–	24,520	5,451	18,826	–	–	–	100	–	–	77,222
Patient accounts receivable, net	600,832	86,134	12,008	123,865	175,380	194,398	–	–	–	–	472	–	1,193,089
Current portion of professional liabilities insurance recoveries receivable	21,753	17,616	681	–	13,660	14,463	–	–	–	–	39	–	68,212
Current portion of due from affiliates	1,792	13,241	–	7,283		17,669	–	–	–	–	–	(39,985)	–
Other current assets	316,859	103,090	5,495	44,024	29,583	121,065	–	–	–	529	9	–	620,654
Total current assets	1,721,466	243,634	38,732	427,455	327,034	764,818	–	6,511	–	2,208	5,977	(90,741)	3,447,094
Assets limited or restricted as to use, net of current portion	1,778	–	–	–	24,409	372	–	–	–	–	–	–	26,559
Investments	900,061	47,883	61,975	71,620	73,295	1,276,554	2,129,834	–	–	–	–	(2,061,427)	2,499,795
Beneficial interest in self-insurance trust	338,651	65,204	7,245		142,150	–	–	–	–	–	–	–	553,250
Property, plant, and equipment, net	1,311,830	728,624	37,668	664,015	708,024	1,373,978	–	75,144	107,958	66,810	–	726,727	5,800,778
Right-of-use assets	308,067	93,391	9,350	56,941	38,299	355,880	–	–	12,487	–	4,956	(46,973)	832,398
Professional liabilities insurance recoveries receivable, net of current portion	58,815	47,627	1,843	5,104	36,932	39,105	–	–	–	–	105	–	189,531
Due from affiliates, net of current portion	1,124,761	5,014	–	–		80,854	–	–	20,299	–	–	(1,230,928)	–
Other assets	109,843	23,426	8,203	3,178	50,931	524,498	–	4,360	–	–	4,464	(235)	728,668
Total assets	$ 5,875,272	$ 1,254,803	$ 165,016	$ 1,228,313	$ 1,401,074	$ 4,416,059	$ 2,129,834	$ 86,015	140,744	$ 69,018	$ 15,502	$ (2,703,577)	$ 14,078,073
Liabilities and Net Assets													
Current liabilities:													
Accounts payable and accrued expenses	$ 418,876	$ 102,963	$ 8,385	$ 140,013	$ 181,572	$ 213,814	$ –	$ 1,301	$ –	$ 1,037	$ –	$ –	$ 1,067,961
Accrued salaries and related liabilities	285,203	56,236	7,779	55,543	127,794	92,766	–	–	–	22	–	–	625,343
Current portion of long-term debt	11,218	(165)	–	5,658	22,428	28,628	–	–	–	900	–	–	68,667
Current portion of operating lease liabilities	8,684	14,737	1,652	2,655	5,625	26,039	–	–	1,069	–	362	(5,529)	55,294
Current portion of professional insurance liabilities	21,753	17,616	681	–	13,660	14,463	–	–	–	–	39	–	68,212
Current portion of due to affiliates	7,283	–	–	7,643	22,367	–	–	1,840	–	7	–	(39,140)	–
Other current liabilities	50,584	47,718	714	44,166	60,697	14,401	–	–	–	881	–	–	219,161
Total current liabilities	803,601	239,105	19,211	255,678	434,143	390,111	–	3,141	1,069	2,847	401	(44,669)	2,104,638
Long-term debt, net of current portion	1,613,827	319,458	–	172,977	189,908	956,025	–	126,451	–	137,936	–	–	3,516,582
Operating lease liabilities, net of current portion	352,876	84,898	8,448	58,341	33,724	361,202	–	–	13,991	–	4,746	(41,831)	876,395
Professional insurance liabilities, net of current portion	58,815	47,627	1,843	5,104	36,932	39,105	–	–	–	–	105	–	189,531
Self-insurance liabilities	338,651	65,204	7,245	–	142,150	–	–	–	–	–	–	–	553,250
Accrued pension and postretirement liabilities	2,895	–	–	13,644	21,150	3,227	–	–	–	–	–	–	40,916
Due to affiliates, net of current portion	–	453,321	46,026	–	383,139	673,236	1,114	–	99,940	–	1,630	(1,658,406)	–
Pooled Investments held for affiliates	–	–	–	–	–	–	2,112,183	–	–	–	–	(2,112,183)	–
Other liabilities	409,447	243,000	8,392	53,224	248,130	450,679	1,574	929	20,746	–	1,243	(73,356)	1,364,008
Total liabilities	3,580,112	1,452,613	91,165	558,968	1,489,276	2,873,585	2,114,871	130,521	135,746	140,783	8,125	(3,930,445)	8,645,320
Net assets:													
Without donor restrictions	2,062,948	(230,458)	49,192	656,300	(206,212)	448,862		(44,506)	4,998	(71,765)	7,173	1,226,868	3,903,400
With donor restrictions	232,212	32,648	24,659	13,045	118,010	1,093,612	14,963	–	–	–	204	–	1,529,353
Total net assets	2,295,160	(197,810)	73,851	669,345	(88,202)	1,542,474	14,963	(44,506)	4,998	(71,765)	7,377	1,226,868	5,432,753
Total liabilities and net assets	$ 5,875,272	$ 1,254,803	$ 165,016	$ 1,228,313	$ 1,401,074	$ 4,416,059	$ 2,129,834	$ 86,015	$ 140,744	$ 69,018	$ 15,502	$ (2,703,577)	$ 14,078,073

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Operations

(In thousands)

Year Ended December 31, 2024

	The Mount Sinai Hospital	Beth Israel Medical Center and Affiliates	The New York Eye and Ear Infirmary and Affiliates	South Nassau Communities Hospital and Subsidiaries	The St. Luke's-Roosevelt Hospital Center and Affiliates	Icahn School of Medicine at Mount Sinai	The Mount Sinai Medical Center, Inc.	MSMC Residential Realty LLC	MSMC Realty Corporation	8 East 102nd Street Manager LLC	Other entities	Elimination & consolidating entries	Consolidated balance
Operating revenue:													
Patient service revenue	$ 3,837,552	$ 749,647	$ 103,193	$ 685,577	$ 1,504,853	$ 1,765,911	$ –	$ –	$ –	$ –	$ 3,099	$ –	$ 8,649,832
Other revenue	852,232	270,523	10,862	151,831	285,516	2,546,194	1,144	32,093	1,141	15,347	18,560	(980,997)	3,204,446
Total operating revenue	4,689,784	1,020,170	114,055	837,408	1,790,369	4,312,105	1,144	32,093	1,141	15,347	21,659	(980,997)	11,854,278
Operating expenses:												–	
Salaries and wages	1,609,436	372,878	49,112	387,676	747,635	2,763,657	–	4,971	–	1,452	4,242	(11,716)	5,929,343
Employee benefits	462,014	155,600	21,827	82,999	264,694	450,493	–	2,155	–	656	1,063	103,862	1,545,363
Supplies and other	2,187,741	556,175	61,715	283,933	857,266	954,952	–	13,022	(25)	3,748	3,927	(920,163)	4,002,291
Interest	43,694	12,490	–	4,698	14,280	29,507	–	5,284	–	6,312	–	–	116,265
Depreciation and amortization	169,750	81,947	7,853	39,116	96,749	113,717	–	10,006	1,457	5,823	2	–	526,420
Total operating expenses	4,472,635	1,179,090	140,507	798,422	1,980,624	4,312,326	–	35,438	1,432	17,991	9,234	(828,017)	12,119,682
Income (loss) from operations	217,149	(158,920)	(26,452)	38,986	(190,255)	(221)	1,144	(3,345)	(291)	(2,644)	12,425	(152,980)	(265,404)
Other items:													
Net change in unrealized gains and losses on investments	93,445	4,470	3,957	1,982	14,530	255,173	564	–	–	–	(1,163)	–	372,958
Reserve on amounts due from affiliates	(81,300)	–	–	–	–	–	–	–	–	–	–	81,300	–
Other, net	1,684	5,492	1,215	(2,354)	(1,764)	–	–	–	–	–	–	(25,283)	(21,010)
Excess (deficiency) of revenue over expenses	230,978	(148,958)	(21,280)	38,614	(177,489)	254,952	1,708	(3,345)	(291)	(2,644)	11,262	(96,963)	86,544
Other changes:												–	
Pension and postretirement changes other than net periodic benefit cost	61	–	(2,523)	6,210	(2,465)	395	–	–	–	–	–	–	1,678
Net assets released from restrictions for capital	20,780	–	–	14,103	3,362	5,597	–	–	–	–	–	–	43,842
Net assets transfer (to) from other affiliates	(103,576)	–	–	(55,757)	(3,362)	1,708	(1,708)	8,368	291	–	(7,583)	161,619	–
Net assets transfer (to) from SLR	(139,637)	–	–	–	139,637	–	–	–	–	–	–	–	–
Other, net	137	–	–	–	–	–	–	–	–	966	–	(6,428)	(5,325)
Increase (decrease) in net assets without donor restrictions	$ 8,743	$ (148,958)	$ (23,803)	$ 3,170	$ (40,317)	$ 262,652	$ –	$ 5,023	$ –	$ (1,678)	$ 3,679	$ 58,228	$ 126,739

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Financial Position – South Nassau Communities Hospital and Subsidiaries

(In thousands)

Year Ended December 31, 2024

	South Nassau Communities Hospital	Other entities	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 220,329	$ 7,434	$ –	$ 227,763
Current portion of assets limited or restricted as to use	24,520	–	–	24,520
Patient accounts receivable, net	107,106	16,759	–	123,865
Current portion of due from affiliates	7,283	–	–	7,283
Other current assets	43,560	464	–	44,024
Total current assets	402,798	24,657	–	427,455
Investments	71,620	–	–	71,620
Property, plant, and equipment, net	644,048	19,967	–	664,015
Right-of-use assets	56,941	–	–	56,941
Professional liabilities insurance recoveries receivable, net of current portion	5,104	–	–	5,104
Due from affiliates, net of current portion	28,257	3,471	(31,728)	–
Other assets	3,178	–	–	3,178
Total assets	$ 1,211,946	$ 48,095	$ (31,728)	$ 1,228,313
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	$ 130,567	$ 9,446	–	$ 140,013
Accrued salaries and related liabilities	47,489	8,054	–	55,543
Current portion of long-term debt	5,658	–	–	5,658
Current portion of operating lease liabilities	2,655	–	–	2,655
Current portion of due to affiliates	7,643	–	–	7,643
Other current liabilities	43,956	210	–	44,166
Total current liabilities	237,968	17,710	–	255,678
Long-term debt, net of current portion	172,977	–	–	172,977
Operating lease liabilities, net of current portion	58,341	–	–	58,341
Professional insurance liabilities, net of current portion	5,104	–	–	5,104
Accrued pension and postretirement liabilities	13,644	–	–	13,644
Due to affiliates, net of current portion	–	31,728	(31,728)	–
Other liabilities	53,224	–	–	53,224
Total liabilities	541,258	49,438	(31,728)	558,968
Net assets:				
Without donor restrictions	657,416	(1,116)	–	656,300
With donor restrictions	13,272	(227)	–	13,045
Total net assets	670,688	(1,343)	–	669,345
Total liabilities and net assets	$ 1,211,946	$ 48,095	$ (31,728)	$ 1,228,313

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Operations – South Nassau Communities Hospital and Subsidiaries

(In thousands)

Year Ended December 31, 2024

	South Nassau Communities Hospital	Other entities	Eliminations	Total
Operating revenue:				
Patient service revenue	$ 661,313	$ 24,264	$ –	$ 685,577
Other revenue	93,505	61,079	(2,753)	151,831
Total operating revenue	754,818	85,343	(2,753)	837,408
Operating expenses:				
Salaries and wages	340,206	47,537	(67)	387,676
Employee benefits	72,145	10,854	–	82,999
Supplies and other	261,691	24,928	(2,686)	283,933
Interest	4,698	–	–	4,698
Depreciation and amortization	38,044	1,072	–	39,116
Total operating expenses	716,784	84,391	(2,753)	798,422
Income from operations	38,034	952	–	38,986
Other items:				
Net change in unrealized gains and losses on investments	1,982	–	–	1,982
Other, net	(1,945)	(409)	–	(2,354)
Excess of revenue over expenses	38,071	543	–	38,614
Other changes:				
Pension and postretirement changes other than net periodic benefit cost	6,210	–	–	6,210
Net assets released from restrictions for capital	14,103	–	–	14,103
Net assets transfer to affiliates	(55,757)	–	–	(55,757)
Other, net	1,054	(1,054)	–	–
Increase (decrease) in net assets without donor restrictions	$ 3,681	$ (511)	$ –	$ 3,170

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Financial Position – The St. Luke's-Roosevelt Hospital Center and Affiliates

(In thousands)

Year Ended December 31, 2024

	The St. Luke's-Roosevelt Hospital Center	425 West 59th Street Condominium LLC	Augustus & James Corporation	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 87,339	$ 9,029	$ 4,174	$ –	$ 100,542
Short-term investments	2,418	–	–	–	2,418
Current portion of assets limited or restricted as to use	5,451	–	–	–	5,451
Patient accounts receivable, net	175,380	–	–	–	175,380
Current portion of professional liabilities insurance recoveries receivable	13,660	–	–	–	13,660
Current portion of due from affiliates	–	–	7,119	(7,119)	–
Other current assets	28,090	306	1,187	–	29,583
Total current assets	312,338	9,335	12,480	(7,119)	327,034
Assets limited or restricted as to use, net of current portion	24,365	44	–	–	24,409
Investments	73,295	–	–	–	73,295
Beneficial interest in self-insurance trust	142,150	–	–	–	142,150
Property, plant, and equipment, net	698,363	5,493	4,168	–	708,024
Right-of-use assets	38,299	–	–	–	38,299
Professional liabilities insurance recoveries receivable, net of current portion	36,932	–	–	–	36,932
Due from affiliates, net of current portion	–	36,481	–	(36,481)	–
Other assets	50,931	–	–	–	50,931
Total assets	$ 1,376,673	$ 51,353	$ 16,648	$ (43,600)	$ 1,401,074
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued expenses	$ 181,291	$ 99	$ 182	$ –	$ 181,572
Accrued salaries and related liabilities	127,794	–	–	–	127,794
Current portion of long-term debt	17,565	2,530	2,333	–	22,428
Current portion of operating lease liabilities	5,625	–	–	–	5,625
Current portion of professional insurance liabilities	13,660	–	–	–	13,660
Current portion of due to affiliates	29,486	–	–	(7,119)	22,367
Other current liabilities	60,697	–	–	–	60,697
Total current liabilities	436,118	2,629	2,515	(7,119)	434,143
Long-term debt, net of current portion	84,318	16,403	89,187	–	189,908
Operating lease liabilities, net of current portion	33,724	–	–	–	33,724
Professional insurance liabilities, net of current portion	36,932	–	–	–	36,932
Self-insurance liabilities, net of current portion	142,150	–	–	–	142,150
Accrued pension and postretirement liabilities	21,150	–	–	–	21,150
Due to affiliates, net of current portion	419,620	–	–	(36,481)	383,139
Other liabilities	248,130	–	–	–	248,130
Total liabilities	1,422,142	19,032	91,702	(43,600)	1,489,276
Net assets:					
Without donor restrictions	(163,479)	32,321	(75,054)	–	(206,212)
With donor restrictions	118,010	–	–	–	118,010
Total net assets	(45,469)	32,321	(75,054)	–	(88,202)
Total liabilities and net assets	$ 1,376,673	$ 51,353	$ 16,648	$ (43,600)	$ 1,401,074

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Operations – The St. Luke's-Roosevelt Hospital Center and Affiliates

(In thousands)

Year Ended December 31, 2024

	The St. Luke's-Roosevelt Hospital Center	425 West 59th Street Condominium LLC	Augustus & James Corporation	Eliminations	Total
Operating revenue:					
Patient service revenue	$ 1,504,853	$ –	$ –	$ –	$ 1,504,853
Other revenue	268,329	10,863	15,442	(9,118)	285,516
Total operating revenue	1,773,182	10,863	15,442	(9,118)	1,790,369
Operating expenses:					
Salaries and wages	745,221	1,004	1,410	–	747,635
Employee benefits	263,986	343	365	–	264,694
Supplies and other	859,390	1,936	5,058	(9,118)	857,266
Interest	9,152	1,290	3,838	–	14,280
Depreciation and amortization	94,294	1,690	765	–	96,749
Total operating expenses	1,972,043	6,263	11,436	(9,118)	1,980,624
(Loss) income from operations	(198,861)	4,600	4,006	–	(190,255)
Other items:					
Net change in unrealized gains and losses on investments	14,530	–	–	–	14,530
Other, net	(1,764)	–	–	–	(1,764)
(Deficiency) excess of revenue over expenses	(186,095)	4,600	4,006	–	(177,489)
Other changes:					
Pension and postretirement changes other than net periodic benefit cost	(2,465)	–	–	–	(2,465)
Net assets released from restrictions for capital	3,362	–	–	–	3,362
Net assets transfer from affiliates	136,275	–	–	–	136,275
(Decrease) increase in net assets without donor restrictions	$ (48,923)	$ 4,600	$ 4,006	$ –	$ (40,317)

MOUNT SINAI HEALTH SYSTEM, INC.

Consolidating Statement of Cash Flows – The St. Luke's-Roosevelt Hospital Center and Affiliates

(In thousands)

Year Ended December 31, 2024

	The St. Luke's-Roosevelt Hospital Center	425 West 59th Street Condominium LLC	Augustus & James Corporation	Total
Cash flows from operating activities:				
Change in net assets	$ (51,627)	$ 4,600	$ 4,005	$ (43,022)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Pension and postretirement changes other than net periodic benefit cost	2,465	–	–	2,465
Depreciation and amortization expense	94,294	1,690	765	96,749
Amortization of deferred financing costs	227	47	24	298
Net change in unrealized gains and losses on investments	(14,530)	–	–	(14,530)
Net realized gains and losses on sales of securities	568	–	–	568
Transfers from affiliates	(136,275)	–	–	(136,275)
Donor-restricted contributions	(2,148)	–	–	(2,148)
Changes in operating assets and liabilities:				
Patient accounts receivable, net	(8,887)	–	–	(8,887)
Accounts payable, accrued expenses, accrued salaries and related liabilities	99,162	(34)	(263)	98,865
Other assets and liabilities, net	(19,762)	(5)	25	(19,742)
Accrued pension and post-retirement liability	(5,554)	–	–	(5,554)
Net cash (used in) provided by operating activities	(42,067)	6,298	4,556	31,213
Cash flows from investing activities:				
Acquisition of property, plant, and equipment	(89,398)	–	(1)	(89,399)
Decrease in investments and assets limited or restricted as to use, net	83,657	(32)	–	83,625
Funding of self-insurance trust	(24,432)	–	–	(24,432)
Net cash used in investing activities	(30,173)	(32)	(1)	(30,206)
Cash flows from financing activities:				
Repayments of long-term debt	(16,989)	(2,387)	(2,240)	(21,616)
Change in due to (from) affiliates, net	(8,049)	(3,802)	(2,849)	(14,700)
Transfers from affiliates	136,275	–	–	136,275
Donor-restricted contributions and restricted realized and unrealized investment returns	2,148	–	–	2,148
Net cash provided by (used in) financing activities	113,385	(6,189)	(5,089)	102,107
Net increase (decrease) in cash and cash equivalents	41,145	77	(534)	40,688
Cash, cash equivalents, and restricted cash at beginning of year	56,576	8,952	4,708	70,236
Cash, cash equivalents, and restricted cash at end of year	$ 97,721	$ 9,029	$ 4,174	$ 110,924
Cash and cash equivalents	$ 87,339	$ 9,029	$ 4,174	$ 100,542
Restricted cash included in assets limited or restricted as to use	10,382	–	–	10,382
Total cash, cash equivalents, and restricted cash	$ 97,721	$ 9,029	$ 4,174	$ 110,924