

**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**  
(A Component Unit of The City of New York)

Management's Discussion and Analysis (Unaudited)

June 30, 2016 and 2015

Financial Analysis

Summary of Statements of Net Position

June 30, 2016, 2015, and 2014

(In thousands)

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>Business-type</b>	<b>Business-type</b>	<b>Business-type</b>
	<b>Activities –</b>	<b>Activities –</b>	<b>Activities –</b>
	<b>HHC</b>	<b>HHC</b>	<b>HHC</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Current assets	\$ 2,506,602	2,485,085	2,790,164
Capital assets, net	3,401,861	3,432,430	3,506,375
Other assets	<u>162,777</u>	<u>118,444</u>	<u>131,927</u>
Total assets	<u>6,071,240</u>	<u>6,035,959</u>	<u>6,428,466</u>
Deferred outflows:			
Net differences between projected and actual earnings on pension plan investments	480,191	—	—
Unamortized refunding cost	12,785	15,349	18,240
Liabilities:			
Current liabilities	2,637,985	2,945,003	3,193,724
Long-term debt, net of current installments	868,626	882,848	941,289
Other noncurrent liabilities	296,811	296,811	—
Pension, net of current portion	3,031,476	2,334,651	2,045,366
Postemployment benefits obligation, other than pension, net of current portion	<u>4,836,872</u>	<u>4,519,900</u>	<u>4,667,962</u>
Total liabilities	<u>11,671,770</u>	<u>10,979,213</u>	<u>10,848,341</u>
Deferred inflows:			
Net differences between projected and actual earnings on pension plan investments	—	258,287	708,343
Net deficit:			
Net investment in capital assets	2,514,112	2,521,077	2,550,656
Restricted	154,926	149,231	150,112
Unrestricted	<u>(7,776,592)</u>	<u>(7,856,500)</u>	<u>(7,810,746)</u>
Total net deficit	<u>\$ (5,107,554)</u>	<u>(5,186,192)</u>	<u>(5,109,978)</u>

See accompanying notes to management's discussion and analysis.

**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**  
(A Component Unit of The City of New York)

Management's Discussion and Analysis (Unaudited)

June 30, 2016 and 2015

Financial Analysis

Summary of Statements of Revenue, Expenses, and Changes in Net Position

Years ended June 30, 2016, 2015, and 2014

(In thousands)

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>Business-type</b>	<b>Business-type</b>	<b>Business-type</b>
	<b>Activities –</b>	<b>Activities –</b>	<b>Activities –</b>
	<b>HHC</b>	<b>HHC</b>	<b>HHC</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating revenue:			
Net patient service revenue	\$ 5,812,049	5,729,197	5,653,009
Appropriations from (remittances to) City of New York, net	1,405,091	140,597	399,165
Grants revenue	362,339	526,673	285,763
Other revenue	103,080	61,264	51,110
	<u>7,682,559</u>	<u>6,457,731</u>	<u>6,389,047</u>
Operating expenses:			
Personal services, fringes benefits, and employer payroll taxes	3,607,126	3,423,547	3,305,159
Other than personal services	1,753,336	1,561,411	1,527,445
Pension	502,374	285,111	224,500
Postemployment benefits, other than pension	426,513	(40,299)	198,991
Affiliation contracted services	1,050,535	994,294	922,773
Depreciation	302,530	291,729	302,859
	<u>7,642,414</u>	<u>6,515,793</u>	<u>6,481,727</u>
Operating income (loss)	40,145	(58,062)	(92,680)
Nonoperating expenses, net	<u>(112,910)</u>	<u>(125,067)</u>	<u>(114,392)</u>
Loss before other changes in net deficit	(72,765)	(183,129)	(207,072)
Other changes in net deficit:			
Capital contributions	151,403	106,915	313,904
Increase (decrease) in net deficit	78,638	(76,214)	106,832
Net deficit at beginning of year	<u>(5,186,192)</u>	<u>(5,109,978)</u>	<u>(5,216,810)</u>
Net deficit at end of year	\$ <u>(5,107,554)</u>	\$ <u>(5,186,192)</u>	\$ <u>(5,109,978)</u>

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