

New York University
Consolidated Financial Statements
August 31, 2009 and 2008

New York University
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August 31, 2009 and 2008

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Report of Independent Auditors

To the Board of Trustees of
New York University

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of activities and cash flows present fairly, in all material respects, the consolidated financial position of New York University ("NYU") at August 31, 2009 and 2008 and the results of their changes in net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of NYU's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, in fiscal year 2009, NYU adopted Statement of Accounting Standard No. 157 "Fair Value Measurements."

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included on pages 37 through 44 in Appendix A - supplemental schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
December 7, 2009

New York University
Consolidated Balance Sheets
August 31, 2009 and 2008

(in thousands of dollars)

	2009	2008
Assets		
Cash and cash equivalents	\$ 933,816	\$ 878,818
Short-term investments (Note 4)	157,267	215,859
Accounts and loans receivable, net (Note 5)	304,634	267,273
Patient accounts receivable, net	212,424	179,507
Contributions receivable, net (Notes 2 and 6)	459,147	521,180
Other assets (Note 7)	230,457	239,727
Deposits with trustees (Note 8)	211,214	632,848
Collateral for securities loaned (Note 4)	49,371	78,513
Long-term investments (Note 4)	2,337,316	2,670,100
Assets held by insurance captive (CCC550) (Note 12)	143,160	115,449
Land, buildings, and equipment, net (Notes 2 and 9)	<u>3,402,295</u>	<u>2,864,089</u>
Total assets	<u>\$ 8,441,101</u>	<u>\$ 8,663,363</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 729,454	\$ 678,656
Deferred revenue	646,429	610,758
Outstanding losses and loss adjustment expenses (Note 12)	162,289	141,807
Security loan agreements payable (Note 4)	49,371	78,513
Bonds and notes payable (Notes 10, 11 and 20)	2,215,539	2,239,789
Federal grants refundable	78,235	74,521
Accrued benefit obligation (Note 13)	134,065	73,700
Accrued postretirement obligation (Note 14)	356,372	315,951
Asset retirement obligation (Note 2)	<u>114,070</u>	<u>108,974</u>
Total liabilities	<u>4,485,824</u>	<u>4,322,669</u>
Net assets		
Unrestricted	2,150,855	2,556,048
Temporarily restricted (Note 18)	532,424	530,713
Permanently restricted (Note 18)	<u>1,271,998</u>	<u>1,253,933</u>
Total net assets	<u>3,955,277</u>	<u>4,340,694</u>
Total liabilities and net assets	<u>\$ 8,441,101</u>	<u>\$ 8,663,363</u>

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Consolidated Statement of Activities
Year Ended August 31, 2009 and 2008

(in thousands of dollars)

	2009	2008
Changes in unrestricted net assets		
Operating revenues		
Tuition and fees (net of financial aid awards of \$295,374 and \$251,190)	\$ 1,267,065	\$ 1,223,391
Grants and contracts (Note 15)	364,830	334,136
Patient care (Note 3)	1,646,995	1,441,828
Insurance premiums earned	25,756	28,524
Hospital affiliations (Note 16)	209,124	196,685
New York State appropriation	7,414	4,830
Contributions	110,626	139,138
Endowment distribution and return on short-term investments (Note 4)	99,456	125,669
Auxiliary enterprises	363,502	352,922
Program fees and other	133,521	146,694
Net assets released from restrictions	82,860	155,953
Total operating revenues	<u>4,311,149</u>	<u>4,149,770</u>
Operating expenses (Note 17)		
Instruction and other academic programs	1,225,680	1,209,270
Research and other sponsored programs	368,720	339,634
Patient care	1,263,260	1,207,597
Hospital affiliations (Note 16)	206,693	191,885
Libraries	63,324	66,106
Student services	111,886	110,558
Institutional services	568,867	530,422
Auxiliary enterprises	425,896	396,228
Total operating expenses	<u>4,234,326</u>	<u>4,051,700</u>
Excess of operating revenues over operating expenses	76,823	98,070
Nonoperating activities		
Investment return less than endowment distribution, net (Note 4)	(399,651)	(155,256)
Other	17,017	11,940
Net assets released from restrictions for capital purposes	13,591	15,694
Changes in pension and postretirement obligations (Notes 13 and 14)	(112,973)	4,810
Decrease in unrestricted net assets	<u>(405,193)</u>	<u>(24,742)</u>
Changes in temporarily restricted net assets		
Contributions	105,672	240,274
Investment return, net (Note 4)	(3,809)	(903)
Other	(3,701)	(15,878)
Net assets released from restrictions	(96,451)	(171,647)
Increase in temporarily restricted net assets	<u>1,711</u>	<u>51,846</u>
Changes in permanently restricted net assets		
Contributions	49,165	95,130
Unrealized loss on deposits with trustees	(4,100)	(8,135)
Reclassification to unrestricted net assets (Note 18)	(27,000)	(7,536)
Other	-	4
Increase in permanently restricted net assets	<u>18,065</u>	<u>79,463</u>
(Decrease) increase in net assets	<u>\$ (385,417)</u>	<u>\$ 106,567</u>

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Consolidated Statement of Cash Flows
August 31, 2009 and 2008

(in thousands of dollars)

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ (385,417)	\$ 106,567
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Depreciation and amortization	228,354	200,258
Loss on disposal of property, plant, and equipment	4,999	32
Net loss on investments and deposits with trustees	399,452	156,940
Bad debt expense	34,730	38,518
Loss on refinancing of debt	5,121	-
Gain on sale of real estate	-	(7,906)
Other nonoperating changes	-	1,964
Pension and postretirement obligation change	112,973	(4,810)
Asset retirement obligation adjustment	658	537
Contributions restricted for permanent investment and capital	(67,868)	(110,846)
Contributed assets	(22,046)	(7,469)
Changes in operating assets and liabilities		
Increase in accounts and loans receivable, net	(29,722)	(20,731)
Increase in patient accounts receivable	(64,427)	(46,423)
Decrease (increase) in nonendowment and noncapital contributions receivable	56,330	(104,886)
Increase in other assets	(1,976)	(29,029)
Increase in accounts payable and accrued expenses	12,862	136,821
Increase in outstanding losses and adjustment expenses	20,482	37,094
Increase in deferred revenue	34,955	29,889
Decrease in accrued pension obligation	(32,019)	(1,901)
Increase in accrued postretirement obligation	19,832	19,300
Net cash provided by operating activities	<u>327,273</u>	<u>393,919</u>
Cash flows from investing activities		
Purchases of investments	(3,876,571)	(2,612,558)
Sales of investments	3,852,219	2,757,147
Investment in physician practice plan	-	(29,881)
Proceeds from sale of real estate	-	8,977
Drawdowns of unexpended bond proceeds	362,712	443,568
Additions to land, buildings, and equipment, net of disposals	(729,657)	(603,316)
Net cash used in investing activities	<u>(391,297)</u>	<u>(36,063)</u>
Cash flows from financing activities		
Contributions restricted for permanent investment and capital	66,984	105,891
Decrease (increase) in endowment and capital contributions receivable	18,911	(23,548)
Proceeds from short term borrowings	42,930	100,525
Proceeds from line of credit borrowings	149,582	-
Principal payments on short term borrowings	-	(98,525)
Principal payments on bonds and notes payable	(219,553)	(189,282)
Increase in Federal grants refundable	3,714	881
Decrease (increase) in deposits with bond trustees	56,454	(5,058)
Net cash generated from (used in) financing activities	<u>119,022</u>	<u>(109,116)</u>
Net increase in cash	54,998	248,740
Cash		
Beginning of year	878,818	630,078
End of year	<u>\$ 933,816</u>	<u>\$ 878,818</u>
Bond proceeds	\$ -	\$ 720,932
Interest paid	\$ 111,614	\$ 85,506

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

(in thousands of dollars)

1. Description of New York University

Founded in 1831, New York University (NYU) is a private institution of higher education, research, and patient care located primarily in New York City. NYU is recognized both nationally and internationally as a leader in scholarship and is a member of the distinguished Association of American Universities.

Beginning fiscal year 2008, the consolidated reporting entity for NYU consists of the University, which represents the consolidation of Washington Square and Polytechnic campuses, and the NYU Langone Medical Center, which represents the consolidation of the NYU Hospitals Center, the NYU School of Medicine, and CCC550 as described below. Consolidating balance sheets and statements of activities for the University and the NYU Langone Medical Center are presented in Appendix A.

The University

The Washington Square Campus (Washington Square) includes eighteen colleges and divisions in Manhattan, each with its own traditions, programs, and faculty. The schools, in order of founding date, are the College of Arts and Science, School of Law, School of Medicine (reported as a part of NYU Langone Medical Center), College of Dentistry, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, Leonard N. Stern School of Business, Courant Institute of Mathematical Sciences, School of Continuing and Professional Studies, Institute of Fine Arts, Robert F. Wagner Graduate School of Public Service, Post-Graduate Medical School, Silver School of Social Work, Tisch School of the Arts, Gallatin School of Individualized Study, College of Nursing, the Institute for the Study of the Ancient World and NYU in Abu Dhabi. Washington Square also operates academic program sites and research programs in other parts of the United States and abroad.

Effective July 1, 2008, Polytechnic University became affiliated with NYU under the name Polytechnic Institute of New York University (Polytechnic). On that date, NYU became the sole member of Polytechnic. Polytechnic is a private, co-educational institution founded in 1854, offering programs in engineering, applied sciences, and management. Polytechnic has its main campus in downtown Brooklyn. The University has not assumed any responsibility or liability for the financial obligations of Polytechnic.

Polytechnic financial results have been included as of June 30, 2009 and 2008 and for the twelve month fiscal years ended June 30, 2009 and 2008. The effect of using this fiscal reporting period was not material to the consolidated financial statements.

NYU Langone Medical Center

Effective October 23, 2007, all necessary regulatory approvals were granted and NYU was substituted for Mount Sinai-NYU Health, Inc. as the sole member of NYU Hospitals Center (the Hospitals Center). By resolution of the NYU Board of Trustees, NYU appointed members of the Hospitals Center Board and also named the same individuals as members of a newly created New York University School of Medicine Advisory Board. Management expects that this will result in greater integration and closer alignment of the goals and strategies of the Hospitals Center and the NYU School of Medicine which are referred to collectively as the NYU Langone Medical Center. The University has not assumed any responsibility or liability for the financial obligations of the Hospitals Center.

New York University

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(in thousands of dollars)

The Hospitals Center represents one of the nation's premier centers of excellence in health care and encompasses three hospitals and an off-shore captive insurance corporation, CCC550 Insurance, Inc. (CCC550). The central component of the Hospitals Center is Tisch Hospital, a 705-bed acute care facility and a major center for specialized procedures in cardiovascular services, neurosurgery, cancer treatment, reconstructive surgery and transplantation. The Rusk Institute of Rehabilitation Medicine, a 174-bed unit, has earned worldwide recognition for its leadership in treatment of the physically challenged. The Hospital for Joint Diseases (HJD) is a 190-bed acute care facility specializing in orthopedic services. CCC550 is solely owned by the Hospitals Center and provides hospital professional liability and hospital general liability insurance to the Hospitals Center and professional liability insurance to voluntary attending physicians (VAPs) affiliated with the Hospitals Center. CCC550 is subject to taxation in accordance with section 29 of the Exempt Insurance Act in Barbados.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of NYU, as well as its separately incorporated affiliates. NYU and, generally, all of its affiliates are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

NYU prepares its consolidated financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations* (SFAS No. 117). SFAS No. 117 focuses on the entity as a whole and requires classification of net assets as unrestricted, temporarily restricted, or permanently restricted, as determined by the existence or absence of restrictions placed on the assets' uses by donors or by provision of law. A description of the net assets classifications follows:

Permanently Restricted net assets include gifts, pledges, trusts, and gains explicitly required by donors to be retained in perpetuity, while allowing the use of the investment return for general or specific purpose, in accordance with donor provisions.

Temporarily Restricted net assets include gifts, pledges, trusts, and gains that can be expended, but the donor restrictions have not yet been met. Contributions receivable that do not carry a purpose restriction are deemed to be time restricted. Temporary restrictions are removed either through the passage of time or because certain actions are taken by NYU that fulfill the restrictions. Donor-restricted cash gifts and investment return that are either spent or deemed spent within the same fiscal year as received or earned are reported as unrestricted revenues.

Unrestricted net assets are the remaining net assets of NYU that are used to carry out its missions of education, research and patient care which are not subject to donor restrictions.

Operations

Revenues and expenses related to conducting programmatic activities and provision of services by NYU are classified as operating in the consolidated statement of activities. Investment return (realized and unrealized net gains or losses on investments, interest and dividends) in excess of (or less than) NYU's approved endowment distribution as well as unusual or nonrecurring activity are classified as nonoperating in the consolidated statement of activities.

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(in thousands of dollars)

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received at their fair value. Contributions receivable are reported at their discounted present value, using the respective risk free rates over a three-year term (2.1%-5.2% in 2008, 4.5%-4.7% in prior years). In 2009, a rate of 4.7% was applied to new pledges reflecting NYU's taxable unsecured borrowing rate as well as consideration of market and credit risk. An allowance for amounts estimated to be uncollectible is provided. Conditional promises to give are not recognized as revenue until they become unconditional, that is when the conditions on which they depend are substantially met.

Collections

The University does not assign values to collection items. Collection items are generally held for educational purposes and are not disposed of for financial gain or otherwise encumbered in any manner.

Uncompensated Care

As a matter of policy, the Medical Center provides significant amounts of partially or totally uncompensated patient care. For accounting purposes, such uncompensated care is treated either as charity care or bad debt expense.

Charity Care: The Medical Center's charity care policy, in accordance with the New York State Department of Health's guidelines, ensures the provision of quality health care to the community served while carefully considering the ability of the patient to pay. The policy has sliding fee schedules for inpatient, ambulatory and emergency services provided to the uninsured and under-insured patients that qualify. Patients are eligible for the charity care fee schedule if they meet certain income and liquid asset tests. For accounting and disclosure purposes, charity care is considered to be the difference between the Medical Center's customary charges and the sliding charity care fee schedule rates. Since payment of this difference is not sought, charity care allowances are not reported as revenue. Total charity care for all patient services was \$9,450 and \$8,672 in 2009 and 2008, respectively.

Bad Debt Expense: Patients who do not qualify for sliding scale fees and all uninsured inpatients who do not qualify for Medicaid assistance are billed at the Hospitals Center's full rates. Uncollected balances for these patients are categorized as bad debts. Similarly, at the School of Medicine, those balances which are deemed uncollectible based on an inability or unwillingness to pay are written off. Uncollected balances for these patients are categorized as bad debts and totaled \$31,510 and \$36,580 for the years ended August 31, 2009 and 2008, respectively.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and all highly-liquid debt instruments with maturity of three months or less when purchased. This does not include investments with less than three months to maturity held within the long-term investment portfolio. The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturity of the instruments.

Land, Buildings, and Equipment

Land, buildings, and equipment are carried at their acquisition or construction cost. If donated, these assets are recorded at their fair value on the date of the gift. Buildings and equipment are depreciated over their estimated useful lives (buildings and building improvements 10-55 years, equipment 3-10 years) using the straight-line method.

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(in thousands of dollars)

Asset Retirement Obligation

NYU recognizes asset retirement obligations on future events, such as the abatement of asbestos, and removal of lead-based paint and petroleum bulk storage tanks from buildings. Asset retirement costs (net of accumulated depreciation) have been included in land, buildings and equipment, as of August 31, 2009 and 2008. The asset retirement obligation was \$114,070 and \$108,974 at August 31, 2009 and 2008, respectively.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2008 consolidated financial statements have been reclassified to conform to the current year's presentation.

New Authoritative Pronouncements

Effective September 1, 2008, NYU adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under SFAS 157 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date (see Note 4).

The provisions of SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159) were effective September 1, 2008. SFAS 159 gives entities the option, at specific election dates, to measure certain financial assets and liabilities at fair value. The election may be applied to financial assets and liabilities on an instrument by instrument basis, is irrevocable, and may only be applied to entire instruments. Unrealized gains and losses on instruments for which the fair value option has been elected are reported in earnings at each subsequent reporting date. NYU did not elect fair value accounting for any assets or liabilities that are not currently required to be measured at fair value.

In August 2008, FASB Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds" (the FSP), was issued, and its guidance is effective for fiscal years ending after December 15, 2008. Although New York State has not yet enacted UPMIFA, NYU adopted the disclosure requirements of the FSP as of August 31, 2009 (see Note 18).

Effective August 31, 2009, NYU adopted SFAS No. 165, "Subsequent Events" (SFAS 165). SFAS 165 provides guidance for the accounting and disclosure for subsequent events not addressed in other applicable generally accepted accounting principles. The impact of SFAS 165 has been limited to additional disclosures (see Note 20).

New York University

Notes to Consolidated Financial Statements

August 31, 2009 and 2008

(in thousands of dollars)

3. Patient Care Revenue

The Hospitals Center has agreements with third party payers that provide for payments at amounts different from its established rates (i.e. gross charges). Payment arrangements include prospective determined rates per discharge reimbursed costs, discounted charges and per diem payments.

Patient care revenue is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided and adjusted in future period as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. The Hospitals Center has implemented a monthly standardized approach to estimate and review the collectability of receivables based on the payer classification and the period from which the receivables has been outstanding.

The Hospitals Center has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years' payment rates, based on industry-wide and Hospitals Center-specific data. The net amounts due to third party payers at August 31, 2009 and 2008 are \$24,239 and \$13,820, respectively. Additionally, certain payers' payment rates for various years have been appealed by the Hospitals Center. If the appeals are successful, additional income applicable to those years might be realized.

Medicare cost reports for the Hospitals Center, which serve as the basis for final settlement with the Medicare program, have not been finally settled as far back as 2001; revisions to final settlements also could be made. Other years remain open for settlement with the Federal Medicare program as are settlements with the New York State Medicaid program. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Hospitals Center grants credit without collateral to its patients, most of whom are insured under third-party agreements. The respective concentrations of accounts receivable for services to patients as of August 31, 2009 and 2008 include 13% and 13% from Medicare, 6% and 5% from Medicaid, 65% and 62% from managed care companies, and 16% and 20% from commercial insurance carriers and others.

4. Investments

SFAS 157 establishes a hierarchy of valuation methodologies based on the extent to which asset valuation are observable in the marketplace. The following describes the hierarchy of methodologies used to measure fair value of investments:

Fair value for Level 1 is based upon quoted prices in actively traded markets that NYU has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. NYU does not adjust the quoted price for such assets and liabilities.

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(in thousands of dollars)

Fair value for Level 2 is based on quoted prices for instruments similar to those held by NYU in actively traded markets, quoted prices for identical instruments similar to those held by NYU in markets that are not actively traded, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Inputs are obtained from various sources including market participants, dealers, and brokers.

Fair value for Level 3 is based on valuation techniques used to assess prices that are unobservable as the assets trade infrequently or not at all.

Investments included in Level 3 primarily consist of NYU's ownership in alternative investments (principally limited partnership interests in private equity, absolute return, real estate, and other similar funds). The value of certain alternative investments represents the ownership interest in the net asset value (NAV) of the respective partnership; 72% of investments held by the partnerships consist of marketable securities and 28% are securities that do not have readily determinable fair values. The fair values (NAV) of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. NYU has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of August 31, 2009 and 2008, respectively.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NYU believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

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Notes to Consolidated Financial Statements
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(in thousands of dollars)

The following table summarizes the fair value of investments at August 31, 2009 and 2008:

	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	2009	2008
Long-term investments					
Fixed income securities	\$ 1,622	\$ 630,842	\$ 145,746	\$ 778,210	\$ 539,313
Equity securities	56,646	68,254	433,536	558,436	1,009,822
Absolute return	-	16,688	666,853	683,541	827,645
Private equity	-	-	204,574	204,574	229,527
Other	8,674	-	52,929	61,603	10,636
Subtotal endowment investments	66,942	715,784	1,503,638	2,286,364	2,616,943
Fixed income securities	9,048	1,666	-	10,714	9,675
Equity securities	13,806	817	-	14,623	17,518
Real estate	-	-	23,893	23,893	23,893
Other	-	22	1,700	1,722	2,071
Subtotal other long-term investments	22,854	2,505	25,593	50,952	53,157
Total long-term investments	89,796	718,289	1,529,231	2,337,316	2,670,100
Short-term investments					
Working capital	156,630	-	-	156,630	215,214
Other	637	-	-	637	645
Total short-term investments	157,267	-	-	157,267	215,859
Funds held in perpetual trust (Note 7)	-	-	15,758	15,758	18,179
Deposits with trustees (Note 8)	128,130	78,839	-	206,969	632,848
Assets held by CCC550 (Note 12)	-	-	143,160	143,160	115,449
Total	\$ 375,193	\$ 797,128	\$ 1,688,149	\$ 2,860,470	\$ 3,652,435

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(in thousands of dollars)

The following table provides the changes in the amounts reported in the balance sheets for financial instruments classified by NYU within Level 3 of the fair value hierarchy defined above:

(in thousands)

	Fixed Income Securities	Equity Securities	Absolute Return	Private Equity	CCC550	Perpetual Trust	Other	Total Investments
Fair value, August 31, 2008	\$ 131,902	\$ 472,377	\$ 735,468	\$ 200,729	\$ 115,448	\$ 18,179	\$ 121,949	\$ 1,796,052
Realized gains/(losses)	-	-	36,073	2,355	217,375	-	-	255,803
Unrealized gains/(losses)	13,844	(75,074)	(86,723)	(36,417)	(177,079)	(2,421)	(43,427)	(407,297)
Net purchases, sales, settlements	-	37,599	(17,965)	37,907	(12,584)	-	-	44,957
Transfers in/out	-	(1,366)	-	-	-	-	-	(1,366)
Fair value, August 31, 2009	<u>\$ 145,746</u>	<u>\$ 433,536</u>	<u>\$ 666,853</u>	<u>\$ 204,574</u>	<u>\$ 143,160</u>	<u>\$ 15,758</u>	<u>\$ 78,522</u>	<u>\$ 1,688,149</u>

NYU (with the exception of Polytechnic) maintains an investment pool for its long-term investments which include its endowment and similar funds. The pool is managed to achieve the maximum long-term return given prudent risk parameters. NYU's Board of Trustees has authorized a policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of investment return at approved spending rates (5% in 2009 and 2008). The rate is applied to the twelve-quarter moving average fair value of the investment pool. This amount, along with interest and dividends earned on short-term investments, is reported as operating revenues in the consolidated statement of activities. Investment return in excess of or less than NYU's approved endowment distribution is reported as nonoperating activity in the consolidated statement of activities.

Polytechnic has endowment and similar funds invested in a separate pool. Polytechnic's Board of Trustees authorized a spending rate for 2009 and 2008 of 5.5% of the three-year rolling average market value of the endowment. This amount is reported as operating revenues in the consolidated statement of activities.

The following table provides the changes in the fair value of endowment assets at August 31, 2009 and 2008:

	Board- Designated Funds	Permanently Restricted Endowments	2009
Fair value, beginning of year	\$ 1,006,883	\$ 1,610,060	\$ 2,616,943
Contributions and other additions	46,610	56,340	102,950
Investment return	(125,927)	(167,755)	(293,682)
Endowment distribution	(39,567)	(69,960)	(109,527)
Liquidations	(27,517)	(2,803)	(30,320)
Reclassification to unrestricted net assets (Note 18)	27,000	(27,000)	-
Fair value, end of year	<u>\$ 887,482</u>	<u>\$ 1,398,882</u>	<u>\$ 2,286,364</u>

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	Board- Designated Funds	Temporarily Restricted Endowments	Permanently Restricted Endowments	2008
Fair value, beginning of year	\$ 685,902	\$ 2,051	\$ 1,600,481	\$ 2,288,434
Contributions and other additions	449,921	-	88,593	538,514
Investment return	(32,558)	851	(21,474)	(53,181)
Endowment distribution	(50,716)	(2,902)	(50,004)	(103,622)
Liquidations	(53,202)	-	-	(53,202)
Reclassification to unrestricted net assets (Note 18)	7,536	-	(7,536)	-
Fair value, end of year	<u>\$ 1,006,883</u>	<u>\$ -</u>	<u>\$ 1,610,060</u>	<u>\$ 2,616,943</u>

At August 31, 2009 and 2008, NYU had capital commitments of \$189,790 and \$216,855, respectively.

The University records purchases and sales of securities on a trade-date basis. The University has included receivables for securities sold of \$79 and \$1,071 at August 31, 2009 and 2008, respectively, and liabilities for securities purchased of \$178 and \$1,818 at August 31, 2009 and 2008, respectively, in long-term investments.

Investment securities having a fair value of \$48,153 and \$75,612 at August 31, 2009 and 2008, respectively, were lent to various brokerage firms. The securities are returnable on demand and were collateralized by cash deposits of \$49,371 and \$78,513 at August 31, 2009 and 2008, respectively. The collateral is invested in short-term securities and income is credited to the long-term investment pool.

Total investment return for the years ended August 31, 2009 and 2008:

	2009	2008
Dividends and interest	\$ 23,355	\$ 72,877
Realized and unrealized losses, net	(321,837)	(97,745)
Investment expenses	(5,522)	(5,622)
Total investment return, net	<u>\$ (304,004)</u>	<u>\$ (30,490)</u>
Endowment distribution approved for spending and return on short-term investments	99,456	125,669
Temporarily restricted investment return, net	(3,809)	(903)
Investment return less than endowment distribution, net	(399,651)	(155,256)
Total investment return, net	<u>\$ (304,004)</u>	<u>\$ (30,490)</u>

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5. Accounts and Loans Receivable

Accounts and loans receivable consist of the following at August 31, 2009 and 2008:

	2009	2008
Student and other	\$ 53,486	\$ 52,330
Grants and contracts	70,622	50,871
Student loans	111,162	105,757
Housing loans and other loans to employees	60,558	55,233
Insurance premiums (CCC550)	33,091	22,927
	<u>328,919</u>	<u>287,118</u>
Allowance for uncollectible amounts	<u>(24,285)</u>	<u>(19,845)</u>
Accounts and loans receivable, net	<u>\$ 304,634</u>	<u>\$ 267,273</u>

The allowance for uncollectible amounts of accounts and loans receivable at August 31, 2009 and 2008 consists of the following:

	2009	2008
Students and other	\$ (13,774)	\$ (10,595)
Grants and contracts	(3,912)	(3,032)
Student loans	(6,512)	(6,076)
Housing loans and other loans to employees	<u>(87)</u>	<u>(142)</u>
Total allowance for uncollectible amounts	<u>\$ (24,285)</u>	<u>\$ (19,845)</u>

A reasonable estimate of the fair value of loans receivable from students under government loan programs could not be made because the notes cannot be sold and can only be assigned to the U.S. Government or its designees. The fair value of loans receivable from students under NYU's loan programs approximates carrying value.

6. Contributions Receivable

Contributions receivable consist of the following at August 31, 2009 and 2008:

	2009	2008
Amounts expected to be collected in:		
Less than one year	\$ 143,771	\$ 104,837
One to five years	352,457	456,512
More than five years	<u>97,686</u>	<u>90,986</u>
	593,914	652,335
Discount to present value	(66,083)	(62,597)
Allowance for uncollectible amounts	<u>(68,684)</u>	<u>(68,558)</u>
Contributions receivable, net	<u>\$ 459,147</u>	<u>\$ 521,180</u>

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Contributions receivable activity for the years ended August 31, 2009 and 2008 was as follows:

	2009	2008
Contributions receivable at beginning of year, net	\$ 521,180	\$ 433,621
Add discount to present value and allowance for uncollectibles	<u>131,155</u>	<u>125,892</u>
Contributions receivable beginning of year, gross	652,335	559,513
New pledges received (undiscounted)	139,776	295,497
Adjustments and writeoffs	(36,988)	(14,982)
Pledge payments received	<u>(161,209)</u>	<u>(187,693)</u>
Subtotal	593,914	652,335
Deduct discount to present value and allowance for uncollectibles	<u>(134,767)</u>	<u>(131,155)</u>
Contributions receivable at end of year, net	<u>\$ 459,147</u>	<u>\$ 521,180</u>

Conditional promises to give, not included in these financial statements, were \$696,496 and \$624,822 at August 31, 2009 and 2008, respectively.

Expenses related to fundraising activities were \$26,751 and \$22,215 for the years ended August 31, 2009 and 2008, respectively.

7. Other Assets

Other assets at August 31, 2009 and 2008 consist of the following:

	2009	2008
Prepaid expenses and deferred charges	\$ 39,057	\$ 39,505
Third party payor receivables	48,170	43,719
Inventory	29,296	29,385
Unamortized bond issuance costs	38,675	39,148
Real estate held for sale	20,921	24,442
Donated royalty	17,745	18,317
Perpetual trusts	15,758	18,179
Other	<u>20,835</u>	<u>27,032</u>
Other assets	<u>\$ 230,457</u>	<u>\$ 239,727</u>

Real estate held for sale of \$20,921 and \$24,442 at August 31, 2009 and 2008, respectively represents the remaining inventory of units in the Riverwalk Landing Condominium. These residential units are held by the University for sale to faculty and administrators.

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8. Deposits with Trustees

Deposits with trustees consist of the following at August 31, 2009 and 2008:

	2009	2008
Unexpended Bond Funds Held by the Dormitory Authority of the State of New York:		
Construction funds	\$ 127,502	\$ 516,534
Debt service funds	6,592	13,910
Debt service reserve funds	52,587	42,403
Capitalized interest funds	5,170	36,661
Other	165	1,359
Perpetual trust	19,198	21,981
	<u>\$ 211,214</u>	<u>\$ 632,848</u>

NYU is the income beneficiary of a perpetual trust. The income from this trust must be used for the support, maintenance, and utilization of Villa La Pietra and the Acton Collection located in Florence, Italy. The trust income is also to be used for the education, benefit, and assistance of faculty and students of the arts and crafts, architecture, literature, music, history of the arts, and all other arts either in the United States or abroad.

9. Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at August 31, 2009 and 2008:

	2009	2008
Land	\$ 178,820	\$ 171,441
Buildings and building improvements	4,179,395	3,623,192
Equipment	1,033,743	1,029,160
Construction in progress	434,641	366,508
	<u>5,826,599</u>	<u>5,190,301</u>
Less accumulated depreciation	<u>(2,424,304)</u>	<u>(2,326,212)</u>
Land, buildings, and equipment, net	<u>\$ 3,402,295</u>	<u>\$ 2,864,089</u>

Depreciation expense was \$219,860 and \$197,255 at August 31, 2009 and 2008, respectively.

NYU capitalized software totaling \$26,571 and \$6,301 for the years ended August 31, 2009 and 2008, respectively.

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10. Bonds and Notes Payable

NYU has various bond issues outstanding, primarily issued through the Dormitory Authority of the State of New York (DASNY). Washington Square and the School of Medicine are considered the legally obligated group for certain borrowings presented below as the "total obligated group".

Bonds and notes payable consist of the following at August 31, 2009 and 2008:

2009						
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic	Hospitals Center	Consolidated NYU
Issuer						
Dormitory Authority of the State of New York (DASNY)	\$ 1,241,094	\$ 119,962	\$ 1,361,056	\$ -	\$ 418,402	\$ 1,779,458
New York City Industrial Development Agency (NYCIDA)	62,893	-	62,893	105,257	-	168,150
Other Bonds and Notes Payable	<u>62,359</u>	<u>149,603</u>	<u>211,962</u>	<u>15,669</u>	<u>40,300</u>	<u>267,931</u>
Bonds and Notes Payable	<u>\$ 1,366,346</u>	<u>\$ 269,565</u>	<u>\$ 1,635,911</u>	<u>\$ 120,926</u>	<u>\$ 458,702</u>	<u>\$ 2,215,539</u>

2008						
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic	Hospitals Center	Consolidated NYU
Issuer						
Dormitory Authority of the State of New York (DASNY)	\$ 1,268,653	\$ 123,239	\$ 1,391,892	\$ -	\$ 431,909	\$ 1,823,801
New York City Industrial Development Agency (NYCIDA)	62,852	-	62,852	105,313	-	168,165
Other Bonds and Notes Payable	<u>43,827</u>	<u>141,632</u>	<u>185,459</u>	<u>15,565</u>	<u>46,799</u>	<u>247,823</u>
Bonds and Notes Payable	<u>\$ 1,375,332</u>	<u>\$ 264,871</u>	<u>\$ 1,640,203</u>	<u>\$ 120,878</u>	<u>\$ 478,708</u>	<u>\$ 2,239,789</u>

In 2009, NYU opted to extinguish the outstanding balance of \$166,389 of the Student Loan Marketing Association term loans with a drawdown from two of the University's contractual credit agreements (see Note 11). The early extinguishment of this obligation resulted in the recognition of a loss (prepayment penalty) of \$5,121 which is reported as non-operating in the Statement of Activities.

In 2008, the Dormitory Authority of the State of New York (DASNY) issued \$616,465 of revenue bonds (Series 2008) on behalf of the University with interest rates ranging from 3.0% to 5.33%. There are four components of the Series 2008: 1) \$280,250 Series 2008A bonds maturing serially from July 2013 through July 2023, as well as July 2029, July 2038, and July 2048; 2) \$226,705 Series 2008B bonds maturing serially from July 2010 through July 2023, as well as July 2029, July 2038, and July 2048; 3) \$98,805 Series 2008C bonds maturing serially from July 2010 through July 2023, as well as July 2029 and July 2038; and 4) \$10,705 Series 2008D taxable bonds maturing serially July 2010 through July 2013.

In 2008, the outstanding balance of \$98,525 from the Series 2004B bonds was refunded with a drawdown from one of the University's lines of credit (see Note 11). The proceeds from the Series

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2008C bonds were used to repay the balance drawn from the line of credit. The proceeds from the Series 2008A and 2008D bonds were used to acquire a student residence facility. The remainder of the bond proceeds will be used to purchase an office building for administrative use and to reimburse the University for costs incurred in connection with the reconstruction, renovation, and deferred maintenance of, and equipment and information systems purchases for, certain facilities at the Washington Square campus and certain other properties used by the University.

In December 2007, the Hospitals Center issued through DASNY, Series 2007B revenue bonds totaling \$95,500. The Series 2007B bonds are payable at varying dates through 2037 at a fixed rate 5.6%. The proceeds of the Series 2007B bonds will be used to finance certain capital expenditures of the Hospitals Center.

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The principal amounts outstanding for bonds and notes payable consist of the following at August 31, 2009 and 2008:

	2009					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic	Hospitals Center	Consolidated NYU
DASNY						
Series 1998A bonds, with interest rates ranging from 5.0% to 6.0%, maturing serially through July 2027 (including premium of \$13,917)	\$ 215,497	\$ -	\$ 215,497	\$ -	\$ -	\$ 215,497
Series 2000D bonds, with interest rates ranging from 5.3% to 6.8%, maturing serially through July 2026	-	-	-	-	48,300	48,300
Series 2001A bonds, with interest rates ranging from 5.25% to 5.7%, maturing serially through July 2015 (including premium of \$2,018 and \$159)	59,541	4,716	64,257	-	-	64,257
2001 Series 1 bonds, with interest rates ranging from 4.4% to 5.5%, maturing serially through July 2040 (including premium of \$4,016 and \$3,287)	70,016	57,287	127,303	-	-	127,303
2001 Series 2 bonds, with interest rates ranging from 4.0% to 5.5%, maturing serially from July 2011 through July 2041 (net of discount of \$150)	39,943	54,207	94,150	-	-	94,150
Series 2003A bonds, with interest rates ranging from 1.5% to 5.0%, maturing serially through July 2011 (including premium of \$1,184, \$249 and \$268)	16,241	3,752	19,993	-	3,928	23,921
Series 2003B bonds, with fixed interest rates of 5.0%, maturing in July 2011 (including premium of \$921)	27,796	-	27,796	-	-	27,796
Series 2004A bonds, with interest rates ranging from 3.5% to 5.0%, maturing serially from July 2014 through July 2034 (including premium of \$1,069)	55,854	-	55,854	-	-	55,854
Series 2006A bonds, with fixed interest rate of 4.8% varying maturity dates through July 2026 (including premium of \$ 2,302)	-	-	-	-	96,892	96,892
Series 2006B bonds, with fixed interest rate of 5.99%, privately placed with a commercial bank, maturing in July 2012	-	-	-	-	16,290	16,290
Series 2007A bonds, with fixed interest rate of 5.0%, varying maturity dates through July 2036 (including premium of \$3,999)	-	-	-	-	163,334	163,334
Series 2007A bonds, with interest rates ranging from 4.25% to 5.0%, maturing serially from July 2017 through July 2037 (including premium of \$3,581)	129,726	-	129,726	-	-	129,726
Series 2007B bonds, with fixed interest rate of 5.6%, varying maturity dates through July 2037 (net of discount of \$2,987)	-	-	-	-	89,658	89,658
Series 2008A bonds, with interest rates ranging from 4.0% to 5.25%, maturing serially from 2013 through 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$5,176)	285,426	-	285,426	-	-	285,426
Series 2008B-1 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$3,604)	218,639	-	218,639	-	-	218,639

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	2009					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic	Hospitals Center	Consolidated NYU
DASNY, continued						
Series 2008B-2 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$241)	11,911	-	11,911	-	-	11,911
Series 2008C bonds, with interest rates ranging from 3.0% to 5.0%, maturing serially on July 2010 through July 2023. Thereafter, in July 2029 and July 2038 (including premium of \$994)	99,799	-	99,799	-	-	99,799
Series 2008D bonds, with interest rates ranging from 4.24% to 5.33%, maturing serially from July 2010 through July 2013	10,705	-	10,705	-	-	10,705
Subtotal of DASNY bonds	<u>1,241,094</u>	<u>119,962</u>	<u>1,361,056</u>	<u>-</u>	<u>418,402</u>	<u>1,779,458</u>
NYCIDA						
NYCIDA Series 2001 bonds, with interest rates ranging from 4.1% to 5.4%, maturing serially from July 2011 through July 2041 (net of discount of \$1,317)	62,893	-	62,893	-	-	62,893
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 through November 2037 (including premium of \$1,557)	-	-	-	105,257	-	105,257
Subtotal of NYCIDA	62,893	-	62,893	105,257	-	168,150
Other bonds and notes payable						
Various with interest rates ranging from .97% to 7.0%, due through November 2017	1,393	20	1,413	-	40,300	41,713
Lines of Credit - JP Morgan Chase and Bank of America	43,807	149,583	193,390	-	-	193,390
Bank loan 2.91%	-	-	-	10,000	-	10,000
Capital leases	17,159	-	17,159	5,669	-	22,828
Subtotal of other bonds and notes payable	<u>62,359</u>	<u>149,603</u>	<u>211,962</u>	<u>15,669</u>	<u>40,300</u>	<u>267,931</u>
Total amounts outstanding	<u>\$ 1,366,346</u>	<u>\$ 269,565</u>	<u>\$ 1,635,911</u>	<u>\$ 120,926</u>	<u>\$ 458,702</u>	<u>\$ 2,215,539</u>

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	2008					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic	Hospitals Center	Consolidated NYU
DASNY						
Series 1998A bonds, with interest rates ranging from 5.0% to 6.0%, maturing serially through July 2027 (including premium of \$14,690)	\$ 222,580	\$ -	\$ 222,580	\$ -	\$ -	\$ 222,580
Series 2000D bonds, with interest rates ranging from 5.3% to 6.8%, maturing serially through July 2026	-	-	-	-	49,700	49,700
Series 2001A bonds, with interest rates ranging from 5.25% to 5.7%, maturing serially through July 2015 (including premium of \$2,354 and \$187)	68,355	5,415	73,770	-	-	73,770
2001 Series 1 bonds, with interest rates ranging from 4.4% to 5.5%, maturing serially through July 2040 (including premium of \$4,146 and \$3,392)	70,146	57,392	127,538	-	-	127,538
2001 Series 2 bonds, with interest rates ranging from 4.0% to 5.5%, maturing serially from July 2011 through July 2041 (net of discount of \$154)	39,939	54,207	94,146	-	-	94,146
Series 2003A bonds, with interest rates ranging from 1.5% to 5.0%, maturing serially through July 2011 (including premium of \$1,776, \$385 and \$413)	26,879	6,225	33,104	-	6,516	39,620
Series 2003B bonds, fixed interest rates of 5.0%, maturing in July 2011 (including premium of \$1,382)	28,257	-	28,257	-	-	28,257
Series 2004A bonds, with interest rates ranging 3.5% to 5.0%, maturing serially from July 2014 through July 2034 (including premium of \$1,113)	55,898	-	55,898	-	-	55,898
Series 2006A bonds, with fixed interest rate of 4.8%, varying maturity dates through July 2026 (including premium of \$2,438)	-	-	-	-	97,028	97,028
Series 2006B bonds, with fixed interest rate from 5.99%, privately placed with a commercial bank, maturing in July 2012	-	-	-	-	21,120	21,120
Series 2007A bonds, with fixed interest rate of 5.0%, varying maturity dates through July 2036 (including premium of \$4,149)	-	-	-	-	166,539	166,539
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2037 (including premium of \$3,705)	129,850	-	129,850	-	-	129,850
Series 2007B bonds, with fixed interest rate of 5.6%, varying maturity dates through July 2037 (net of discount of \$3,144)	-	-	-	-	91,006	91,006
Series 2008A bonds, with interest rates ranging from 4.0% to 5.25%, maturing serially from 2013 through 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$5,309)	285,559	-	285,559	-	-	285,559
Series 2008B-1 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$3,697)	218,732	-	218,732	-	-	218,732

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	2008					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic	Hospitals Center	Consolidated NYU
DASNY, continued						
Series 2008B-2 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$250)	11,920	-	11,920	-	-	11,920
Series 2008C bonds, with interest rates ranging from 3.0% to 5.0%, maturing serially on July 2010 through July 2023. Thereafter, in July 2029 and July 2038 (including premium of \$1,028)	99,833	-	99,833	-	-	99,833
Series 2008D bonds, with interest rates ranging from 4.24% to 5.33%, maturing serially from July 2010 through July 2013	10,705	-	10,705	-	-	10,705
Subtotal of DASNY bonds	<u>1,268,653</u>	<u>123,239</u>	<u>1,391,892</u>	<u>-</u>	<u>431,909</u>	<u>1,823,801</u>
NYCIDA						
NYCIDA Series 2001 bonds, with interest rates ranging from 4.1% to 5.4%, maturing serially from July 2011 through July 2041 (net of discount of \$1,358)	62,852	-	62,852	-	-	62,852
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 through November 2037 (including premium of \$1,613)	-	-	-	105,313	-	105,313
Subtotal of NYCIDA	62,852	-	62,852	105,313	-	168,165
Other bonds and notes payable						
Various with interest rates ranging from 3.0% to 16.5%, due through November 2017	1,460	119	1,579	-	46,799	48,378
Student Loan Marketing Association Term loans, 7.0% due December 2013, 8.4% due August 2012	24,900	141,513	166,413	-	-	166,413
Bank loan 3.8%	-	-	-	10,000	-	10,000
Capital leases	17,467	-	17,467	5,565	-	23,032
Subtotal of other bonds and notes payable	<u>43,827</u>	<u>141,632</u>	<u>185,459</u>	<u>15,565</u>	<u>46,799</u>	<u>247,823</u>
Total amounts outstanding	<u>\$ 1,375,332</u>	<u>\$ 264,871</u>	<u>\$ 1,640,203</u>	<u>\$ 120,878</u>	<u>\$ 478,708</u>	<u>\$ 2,239,789</u>

The fair value of NYU's bonds and notes payable is \$2,176,991 and \$2,211,786 at August 31, 2009 and 2008, respectively. The fair value of NYU's bonds and notes payable is estimated based on the quoted market prices for the same or similar issues or based on NYU's current incremental borrowing rates for similar types of borrowing arrangements.

Interest expense on long-term debt totaled \$113,110 and \$93,417 for the years ended August 31, 2009 and 2008. This excludes \$1,631 and \$6,530, respectively, of capitalized interest (net of income earned on deposits with bond trustees) for the year ended August 31, 2009 and 2008, which is included in land, buildings and equipment, net.

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In conjunction with the current debt agreements, various security agreements were executed. The agreements include pledging, as collateral, a security interest in NYU's property, plant and equipment, and gross receipts and also place limitations on the use of certain assets.

Other agreements require that the Hospitals Center and Polytechnic maintain certain financial ratios. At August 31, 2009 and 2008, NYU is compliant with all financial and administrative covenants.

Future Principal Payments

The aggregate required principal payments on all bonds and notes payable for each of the next five fiscal years, and to maturity, are as follows:

Year ending August 31	
2010	\$ 110,250
2011	85,519
2012	86,894
2013	45,362
2014	50,972
Thereafter	<u>1,792,454</u>
Total principal payments	2,171,451
Unamortized premiums and discounts, net	<u>44,088</u>
	<u><u>\$ 2,215,539</u></u>

11. Obligations with Financial Institutions

At August 31, 2009 and 2008, Washington Square's contractually committed bank credit agreements totaled \$400,000. A \$300,000 agreement extends through October 15, 2009. Interest is payable on funds drawn at LIBOR plus 20 basis points. Upon expiration, this agreement was extended through August 10, 2011. Interest will be payable on funds drawn at LIBOR plus 100 basis points. The base fee on the unused commitment is 35 basis points. A \$100,000 agreement extends through June 24, 2011. The interest is payable at LIBOR plus 20 basis points and the fee on the unused commitment is 5 basis points. The amounts outstanding under these agreements were \$193,389 and \$0, at August 31, 2009 and 2008, respectively.

In July 2009, the Hospitals Center entered into a loan agreement with a bank for an available line of credit totaling \$50,000. The commitment on this line of credit expires July 30, 2010. Interest is payable on funds drawn on this line of credit at LIBOR plus 125 basis points. As of August 31, 2009, no amounts were outstanding on this line of credit.

In August 2009, the Hospitals Center entered into a lease agreement with DASNY under its tax exempt leasing program ("TELP"). The lease line, totaling \$46,000 will provide financing to the Hospitals Center for various capital equipment. As of August 31, 2009, no amounts were outstanding on this line.

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Polytechnic has a loan with a commercial bank. The bank loan is collateralized by certain of Polytechnic's investments with a market value of \$13,578 and \$12,502 at August 31, 2009 and 2008, respectively. The amount outstanding at August 31, 2009 and 2008 was \$10,000. The bank loan is payable on demand.

During 2003, the Hospitals Center entered into an accounts receivable financing agreement. Under the terms of the agreement, the Hospitals Center received \$17,000 of long-term debt collateralized by accounts receivable. In 2004, the Hospitals Center refinanced this lending agreement with another bank. Additionally, in 2004, HJD entered into a similar accounts receivable lending agreement with a bank for \$7,000. At August 31, 2009, the total amount outstanding for both agreements was \$21,800. Interest is payable monthly at 30-day LIBOR plus 80 basis points. The loan agreements expire in June 2012.

In April 2004, the Hospitals Center arranged for a bank syndicate to acquire all of its Series 2000D bonds thereby removing the Series 2000D bonds from the 28-day auction mode for a period of five years. This arrangement was renewed on December 31, 2008 for a period of three years. Interest was reset at an interest rate of 30-day LIBOR plus 155 basis points. The Hospitals Center's obligation under Series 2000D is \$48,300 and \$49,700 at August 31, 2009 and 2008, respectively.

In January 2007, the Hospitals Center entered into a loan agreement with two commercial banks for \$32,000. The proceeds were used to fund the Hospitals Center's defined benefit pension plan (see Note 8). Principal and interest are payable quarterly through December 31, 2011. Interest is payable at 30-day LIBOR plus 70 basis points. At August 31, 2009 and 2008, the amounts outstanding were \$18,500 and \$25,000, respectively.

12. Self-Insured Professional Liabilities

As described in Note 1, the Hospitals Center is self insured for professional liability primarily through a wholly-owned segregated cell captive company, CCC550, created on April 20, 2005 pursuant to the Exempt Insurance Act of Barbados. Prior coverage for professional and general liability risks was provided through a multi-provider pooled insurance program that includes commercial coverage and a captive insurance program.

Self-insured loss reserves comprise estimates for known reported losses and loss expenses plus a provision for losses incurred but not reported. Losses are valued by an independent actuary and are based on the loss experience of the insured. In management's opinion, recorded reserves for self-insured exposures are adequate to cover the ultimate net cost of losses incurred to date, however, the provision is based on estimates and may ultimately be settled for a significant greater or lesser amount.

CCC550 has investment assets of \$143,160 and \$115,449 at August 31, 2009 and 2008, respectively, to fund related obligations. Also, within accounts payable and accrued expenses, the Hospitals Center has recorded obligations related to the multi-provider pooled program, obligations related to excess self insured exposures not covered by CCC550, and other self-insured risks. CCC550 has total obligation for insurance exposure of \$162,289 and \$141,807 as of August 31, 2009 and 2008, respectively. Including investment assets, CCC550 has total assets of \$231,028 and \$180,300 at August 31, 2009 and 2008. Including obligations for insurance exposures, CCC550 has total liabilities of \$208,507 and \$179,243 at August 31, 2009 and 2008.

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CCC550 also provides insurance coverage to certain voluntary attending physicians servicing the School of Medicine and the Hospitals Center. The cost of this insurance coverage is the responsibility of such physicians.

13. Retirement Plans

Substantially all NYU employees are covered by retirement plans. These plans include various defined contribution plans, multi-employer defined benefit plans, and three NYU-sponsored defined benefit plans. NYU contributes to its defined contribution and multi-employer defined benefit plans based on rates required by union or other contractual arrangements. Expenses related to NYU's defined contribution plans were \$85,807 and \$80,802 in 2009 and 2008. Contributions to multi-employer retirement plans totaled \$10,414 and \$9,856 for the years ended August 31, 2009 and 2008.

Contributions to defined benefit plans are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Contributions to the three defined benefit plans are made in amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 plus such additional amounts as the sponsors may deem appropriate, from time to time. Pension benefits under these three plans are based on participants' final average compensation levels and years of service. The measurement dates for the three defined benefit plans is August 31, 2009.

The following table provides information with respect to these plans as of and for the years ended August 31, 2009 and 2008:

Plans' Funded Status:

	2009	2008
Change in benefit obligation		
Benefit obligation at beginning year	\$ 461,029	\$ 475,657
Service cost	11,903	11,021
Interest cost	31,556	26,889
Actuarial loss/(gain)	30,058	(38,159)
Benefits paid	(14,097)	(13,965)
Administrative expense	(561)	(414)
Funded status at end of year	<u>\$ 519,888</u>	<u>\$ 461,029</u>
Change in fair value of plan assets		
Fair value of plan assets at beginning of year	\$ 387,329	\$ 413,927
Actual return on plan assets	(24,809)	(24,305)
Employer contributions	37,961	12,086
Benefits paid	(14,097)	(13,965)
Administrative expense	(561)	(414)
Fair value of plan assets at end of year	<u>385,823</u>	<u>387,329</u>
Accrued benefit obligation	<u>\$ (134,065)</u>	<u>\$ (73,700)</u>
Weighted average assumptions as of August 31		
Discount rate	6.25% - 6.50%	6.40% - 6.75%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%

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Net Periodic Benefit Cost:

	2009	2008
Components of net periodic benefit cost		
Service cost	\$ 11,086	\$ 11,021
Interest cost	30,488	26,889
Expected return on plan assets	(36,357)	(30,611)
Amortization of prior service cost	401	436
Actuarial loss	324	2,449
Net periodic benefit cost	<u>\$ 5,942</u>	<u>\$ 10,184</u>
Other changes recognized in unrestricted net assets		
Adjustment due to change in measurement date	\$ 905	\$ -
Recognition of amortization due to changes in measurement date	(77)	-
Actuarial net loss arising during period	92,281	16,756
Amortization of prior service cost	(401)	(436)
Amortization of actuarial loss	(324)	(2,449)
Total recognized in nonoperating activities	<u>\$ 92,384</u>	<u>\$ 13,871</u>
Change in unrestricted net assets		
Amounts in unrestricted net assets, beginning of year	\$ 80,991	\$ 67,120
Fiscal year change in the amount recognized in nonoperating activities	92,384	13,871
Amounts in unrestricted net assets, end of year	<u>\$ 173,375</u>	<u>\$ 80,991</u>
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2010 and 2009		
Actuarial loss	\$ 5,772	\$ 448
Prior service cost	134	395
Weighted average assumptions as of August 31		
Discount rate	6.75%	6.25% - 6.75%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%
Expected long-term rate of return on plan assets	8.00% - 8.75%	8.00% - 8.75%

The accumulated benefit obligation for the pension plans were \$481,927 and \$427,783 at August 31, 2009 and 2008, respectively.

Plan Assets:

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. Asset allocations for the plans combine tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, weighting the asset class returns by the plans' investment in each class, and taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes 8.00% - 8.75% is a reasonable long term rate of return on plan assets for both 2009 and 2008 and will continue to evaluate the actuarial assumptions and adjust the assumptions as necessary.

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The plans' asset allocations as of August 31, 2009 and 2008, by asset category are as follows:

	2009	2008
Equity securities	23%	47%
Fixed income securities	44%	28%
Real estate	2%	4%
Money market funds and cash	31%	21%

Contributions:

Annual contributions are determined by NYU based upon calculations prepared by the Plans' actuaries. Expected contributions for the 2010 fiscal year are \$32,154.

Benefit Payments:

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year ending August 31		
2010	\$	22,674
2011		24,852
2012		27,400
2013		29,877
2014		31,895
Thereafter		191,844

14. Other Postretirement Benefits

NYU provides certain health care and life insurance benefits for eligible retired employees. NYU employees may become eligible for these benefits if they reach the age and service requirements of the plan while working for NYU. The costs related to these plans are accrued during the period the employees provide service to NYU.

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Information with respect to these plans as of and for the years ended August 31, 2009 and 2008 is as follows:

Plans' Funded Status:

	2009	2008
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 335,302	\$ 333,963
Service cost	15,443	16,304
Interest cost	21,829	20,138
Plan amendment	-	(4,193)
Actuarial loss/(gain)	16,220	(18,350)
Participant contributions	3,193	2,724
Retiree drug subsidy receipts	124	1,330
Benefits paid	<u>(16,094)</u>	<u>(16,614)</u>
Benefit obligation at end of year	<u>376,017</u>	<u>335,302</u>
Change in fair value of plan assets		
Fair value of plan assets at beginning of year	\$ 19,351	\$ 18,631
Actual return on plan assets	294	720
Employer contributions	3,228	4,506
Plan participants contributions	2,068	1,664
Benefit paid	<u>(5,296)</u>	<u>(6,170)</u>
Fair value of plan assets at end of year	<u>19,645</u>	<u>19,351</u>
Accrued postretirement benefit obligation	<u>\$ (356,372)</u>	<u>\$ (315,951)</u>

A plan amendment was made in 2008, whereby certain Hospital Center employees are no longer eligible to receive retiree health care and life insurance benefits. This change resulted in a curtailment gain of \$1,333.

	2009	2008
Weighted average assumptions as of August 31		
Discount rate	6.25% - 6.75%	6.40% - 6.75%
Expected long-term rate of return	8.00% - 9.00%	8.25%
Ultimate retiree health-care cost trend	5.00%	5.00%
Year ultimate trend rate is achieved	2016 - 2018	2016 - 2018

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Net Periodic Benefit Cost:

Components of net periodic benefit cost	2009	2008
Service cost	\$ 15,443	\$ 16,304
Interest cost	21,829	20,138
Expected return on plan assets	(1,597)	(1,538)
Amortization of transition obligation	22	22
Amortization of plan service cost	(4,646)	(4,494)
Actuarial loss	1,559	2,760
	<u>32,610</u>	<u>33,192</u>
Curtailment gain	-	(1,333)
Net periodic benefit cost	<u>\$ 32,610</u>	<u>\$ 31,859</u>
 Other changes recognized in unrestricted net assets		
Amortization of actuarial net loss	\$ 5,168	(2,760)
Actuarial net loss arising during period	10,796	(17,533)
Amortization of prior service cost	337	4,494
Prior service cost arising during period	4,310	(4,193)
Amortization of transition obligation	(22)	(22)
Curtailment gain	-	1,333
Total recognized in nonoperating activities	<u>\$ 20,589</u>	<u>\$ (18,681)</u>
 Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets		
Transition assets	\$ 87	\$ 109
Prior service credit	(21,844)	(26,490)
Accumulated loss	68,133	52,168
Amounts in unrestricted net assets at end of year	<u>\$ 46,376</u>	<u>\$ 25,787</u>
 Change in unrestricted net assets		
Amounts in unrestricted net assets, beginning of year	\$ 25,787	\$ 44,468
Fiscal year 2009 change in the amount recognized in nonoperating activities	20,589	(18,681)
Amounts in unrestricted net assets, end of year	<u>\$ 46,376</u>	<u>\$ 25,787</u>
 Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2010 and 2009		
Actuarial gain	\$ 969	\$ 1,527
Prior service credit	(3,933)	(4,642)
Transition obligation	22	22

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In 2009 and 2008, the effect of a 1% change in the health care cost trend rate is as follows:

	<u>2009</u>		<u>2008</u>	
	<u>1% Increase</u>	<u>1% Decrease</u>	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on net periodic benefit cost	\$ 7,035	\$ (5,711)	\$ 7,232	\$ (5,720)
Effect on postretirement benefit obligation	58,924	(48,139)	50,999	(41,811)
Net periodic benefit cost	<u>\$ 65,959</u>	<u>\$ (53,850)</u>	<u>\$ 58,231</u>	<u>\$ (47,531)</u>

Plan Assets:

The plan's investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. The asset allocation for the plan combines tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes that 8.00% and 8.25% is a reasonable long term rate of return on plan assets for 2009 and 2008 and will continue to evaluate the actuarial assumptions and adjust the assumptions as necessary.

The plan's assets were primarily invested in cash as of August 31, 2009 and 2008.

Benefit Payments:

The following benefit payments (net of retiree contributions), which reflect the effects of the Medicare Act and expected future service, as appropriate, are expected to be paid:

Year ending August 31	
2010	\$ 14,859
2011	16,069
2012	17,487
2013	18,674
2014	20,131
Thereafter	125,128

15. Grants and Contracts

Grants and contracts revenue represents reimbursements of costs incurred in direct support of research and other sponsored activities. Additionally, such sponsored grants and contracts generally provide for the recovery of indirect costs supporting these activities. Indirect costs, included in grants and contracts revenues, are recovered at rates established in advance by NYU through negotiations with the Federal government and other private sponsors and amount to \$83,063 and \$79,701 for the years ended August 31, 2009 and 2008, respectively.

16. Hospital Affiliations

The School of Medicine has two affiliation agreements with the New York City Health and Hospitals Corporation (HHC) to provide general care and mental health services. One agreement is with Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center

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which terminates June 30, 2010. The other agreement is with Bellevue Hospital Center and Gouverneur Diagnostic and Treatment Center which terminates June 30, 2011.

17. Allocated Expenses

Certain expenses incurred by NYU are allocated to specific program and support service activities on the basis of utilization of the underlying assets. Expenses included in this allocation are operation and maintenance of plant, interest on indebtedness, and depreciation and amortization. These expenses, which are included in total operating expenses for the years ended August 31, 2009 and 2008, are presented below:

	2009			
	Operation and Maintenance of Plant	Interest on Indebtedness	Depreciation and Amortization	2009 Total
Instruction and other academic programs	\$ 72,525	\$ 29,128	\$ 68,217	\$ 169,870
Research and other sponsored programs	23,683	6,558	17,442	47,683
Patient care	917,372	548	1,463	919,383
Libraries	6,459	1,856	5,488	13,803
Student services	12,579	1,171	12,155	25,905
Institutional services	301,964	30,669	61,949	394,582
Auxiliary enterprises	69,167	43,076	61,640	173,883
Total	<u>\$ 1,403,749</u>	<u>\$ 113,006</u>	<u>\$ 228,354</u>	<u>\$ 1,745,109</u>

	2008			
	Operation and Maintenance of Plant	Interest on Indebtedness	Depreciation and Amortization	2008 Total
Instruction and other academic programs	\$ 72,714	\$ 31,717	\$ 58,088	\$ 162,519
Research and other sponsored programs	21,171	6,130	14,217	41,518
Patient care	912,823	672	1,262	914,757
Libraries	9,419	1,144	7,394	17,957
Student services	13,357	629	10,862	24,848
Institutional services	236,526	25,614	59,758	321,898
Auxiliary enterprises	63,356	27,511	48,677	139,544
Total	<u>\$ 1,329,366</u>	<u>\$ 93,417</u>	<u>\$ 200,258</u>	<u>\$ 1,623,041</u>

New York University
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(in thousands of dollars)

18. Components of Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31, 2009 and 2008:

	2009	2008
Contributions and earnings for operating purposes	\$ 326,704	\$ 356,144
Contributions for buildings and equipment	176,255	149,758
Annuity trust agreements	20,121	22,445
Scholarships and fellowships	9,344	2,366
Total	<u>\$ 532,424</u>	<u>\$ 530,713</u>

Permanently restricted net assets at August 31, 2009 and 2008 are retained in perpetuity to support the following activities:

	2009	2008
Program support	\$ 433,776	\$ 431,841
Faculty and staff salaries	503,583	488,222
Scholarships and fellowships	289,573	289,813
Library books	11,057	11,056
Research and sponsored programs	30,686	29,678
Buildings and equipment	1,907	1,907
Student loans	1,416	1,416
Total	<u>\$ 1,271,998</u>	<u>\$ 1,253,933</u>

NYU's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of NYU has interpreted the State of New York's enacted version of the Uniform Management of Instructional Funds Act ("UMIFA") as requiring the preservation of the historic dollar value of donor-restricted endowment funds (absent explicit donor stipulations to the contrary). The term historic dollar value is defined as the aggregate fair value in dollars of (i) an endowment fund at the time it became an endowment fund, (ii) each subsequent donation to the fund at the time it is made, and (iii) each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. As a result of this interpretation, NYU classifies as permanently restricted net assets (a) the original value of gifts donated to the permanently restricted net assets, (b) the original value of subsequent gifts to the permanent endowment, (c) the net realizable value of future payments to permanently restricted net assets in accordance with the donor's gift instrument (outstanding endowment pledges net of applicable discount), and (d) appreciation (depreciation), gains (losses) and income earned on the fund when the donor states that such increases or decreases are to be treated as changes in permanently restricted net assets. The remaining portion of the donor-restricted endowment fund

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(in thousands of dollars)

that is not classified in permanently restricted net assets is classified as temporarily restricted net assets or unrestricted net assets.

The Board of Trustees further understands that expenditures from a donor-restricted fund is limited to the uses and purposes for which the endowment fund is established and the use of net appreciation is limited to the extent that the fair value of a donor-restricted fund exceeds the historic dollar value of the fund (unless the applicable gift instrument indicates that net appreciation shall not be expended), to the extent that such expenditure is prudent, considering the long and short term needs of NYU in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

The following table provides the changes in each endowment net asset category at August 31, 2009 and 2008:

	Unrestricted	Permanently Restricted		
			2009	
Endowment net assets, beginning of year	\$ 1,521,399	\$ 1,095,544	\$ 2,616,943	
Investment return:				
Investment income, net of fees	11,196	-	11,196	
Net depreciation	<u>(304,878)</u>	<u>-</u>	<u>(304,878)</u>	
Total investment return	(293,682)	-	(293,682)	
Contributions and other additions	46,610	56,340	102,950	
Endowment distribution	(109,527)	-	(109,527)	
Liquidations	(30,320)	-	(30,320)	
Reclassification to unrestricted net assets	<u>27,000</u>	<u>(27,000)</u>	<u>-</u>	
Endowment net assets, end of year	<u>\$ 1,161,480</u>	<u>\$ 1,124,884</u>	<u>\$ 2,286,364</u>	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2008
Endowment net assets, beginning of year	\$ 1,271,896	\$ 2,051	\$ 1,014,487	\$ 2,288,434
Investment return:				
Investment income, net of fees	35,095	851	-	35,946
Net depreciation	<u>(89,127)</u>	<u>-</u>	<u>-</u>	<u>(89,127)</u>
Total investment return	(54,032)	851	-	(53,181)
Contributions and other additions	449,921	-	88,593	538,514
Endowment distribution	(100,720)	(2,902)	-	(103,622)
Liquidations	(53,202)	-	-	(53,202)
Reclassification to unrestricted net assets	<u>7,536</u>	<u>-</u>	<u>(7,536)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 1,521,399</u>	<u>\$ -</u>	<u>\$ 1,095,544</u>	<u>\$ 2,616,943</u>

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Notes to Consolidated Financial Statements

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In 2006, Polytechnic was granted a three-year cy pres relief by the Attorney General's office, which expired by June 30, 2008. Polytechnic had reclassified a cumulative total of \$11,464 through fiscal 2008. Polytechnic is required to return the total amount that was reclassified to unrestricted back to the permanently restricted net assets when Polytechnic is no longer required to meet the requirements of Title IV financial responsibility ratios and the debt service coverage ratio, or by 2030 at the latest.

During fiscal year 2009, Polytechnic filed a petition to apply for another three-year cy pres relief. On October 25, 2009 the cy pres relief was granted to allow Polytechnic to reclassify a total of \$38,000 from permanently to unrestricted net assets beginning in fiscal year 2009. Polytechnic is required to return the total amount that is reclassified to unrestricted back to the permanently restricted net assets when Polytechnic is no longer required to meet the requirements of Title IV financial responsibility ratios and the debt service coverage ratio, or by 2036 at the latest. In fiscal year 2009, Polytechnic reclassified \$27,000 of permanently restricted net assets to unrestricted net assets.

19. Commitments and Contingencies

In the normal course of business, NYU leases facilities under operating leases. Minimum rental payments under these agreements over the next five years and thereafter are as follows:

	Rental Lease Payments
Year ending August 31	
2010	\$ 107,733
2011	98,499
2012	90,874
2013	79,106
2014	72,280
Thereafter	245,925

Rent expense was \$138,088 and \$127,843 for the years ended August 31, 2009 and 2008, respectively.

The Hospitals Center is self-insured for workers' compensation benefits. In connection with being self-insured, the Hospitals Center has maintained stand-by letters of credit aggregating approximately \$12,100 at August 31, 2009 and 2008, respectively. Cash and marketable securities collateralize the letters of credit.

NYU is a defendant in various legal actions arising from the normal course of its operations and amounts expended under government grants and contracts are subject to audit by governmental agencies. In addition, amounts received for patient care from Medicare and Medicaid are subject to audit. Although the final outcome of such actions and audits cannot be determined, management believes that eventual liability, if any, will not have a material effect on NYU's consolidated financial position.

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20. Subsequent Events

NYU has performed an evaluation of subsequent events through December 7, 2009, which is the date the Consolidated Financial Statements were issued.

On November 5, 2009, NYU (the obligor is the total obligated group defined in Note 10) issued \$103,000 of bonds (Series 2009) with an interest rate of 5.236%. The Series 2009 bonds mature serially through July 2032. The proceeds from the Series 2009 bonds will be used to refinance indebtedness incurred in connection with the construction and acquisition of certain Washington Square and School of Medicine buildings.

On November 6, 2009, the Dormitory Authority of the State of New York (DASNY) sold \$402,380 of revenue bonds (Series 2009A) on behalf of NYU (the obligor is the total obligated group defined in Note 10). On November 25, 2009, DASNY sold \$64,260 of revenue bonds (Series 2009B) on behalf of NYU (the obligor is the total obligated group defined in Note 10). Series 2009A and 2009B will close on December 10, 2009. The proceeds from the Series 2009A and 2009B bonds will be used to finance, refinance, or reimburse the costs of construction, acquisition, capital improvements and equipment relating to projects at various campus locations of Washington Square and the School of Medicine.

In October 2009, the Hospitals Center drew down \$19,000 from the \$50,000 line of credit described in Note 11 to pay down the outstanding obligation on its pension loan.

In November 2009, NYU signed a letter of intent to purchase a building for \$65,000 which includes a lease back to the seller for five years.

Appendix A:

Supplemental Schedules to the Consolidated Financial Statements

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2009

(in thousands of dollars)

	2009		
	University	NYU Langone Medical Center	Consolidated NYU
Assets			
Cash and cash equivalents	\$ 633,222	\$ 300,594	\$ 933,816
Short-term investments (Note 4)	31,701	125,566	157,267
Accounts and loans receivable, net (Note 5)	220,654	83,980	304,634
Patient accounts receivable, net	2,126	210,298	212,424
Contributions receivable, net (Notes 2 and 6)	248,761	210,386	459,147
Other assets (Note 7)	103,414	127,043	230,457
Deposits with trustees (Note 8)	105,253	105,961	211,214
Collateral for securities loaned (Note 4)	49,371	-	49,371
Long-term investments (Note 4)	1,648,050	689,266	2,337,316
Assets held by CCC550 (Note 12)	-	143,160	143,160
Land, buildings, and equipment, net (Notes 2 and 9)	2,455,911	946,384	3,402,295
Total assets	<u>\$ 5,498,463</u>	<u>\$ 2,942,638</u>	<u>\$ 8,441,101</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 227,773	\$ 501,681	\$ 729,454
Deferred revenue	603,245	43,184	646,429
Outstanding losses and loss adjustment expenses (Note 12)	-	162,289	162,289
Securities loan agreements payable (Note 4)	49,371	-	49,371
Bonds and notes payable (Notes 10, 11 and 20)	1,487,272	728,267	2,215,539
Federal grants refundable	67,911	10,324	78,235
Accrued benefit obligation (Note 13)	35,352	98,713	134,065
Accrued postretirement obligation (Note 14)	249,644	106,728	356,372
Asset retirement obligation (Note 2)	99,730	14,340	114,070
Total liabilities	<u>2,820,298</u>	<u>1,665,526</u>	<u>4,485,824</u>
Net assets			
Unrestricted	1,411,231	739,624	2,150,855
Temporarily restricted (Note 18)	233,811	298,613	532,424
Permanently restricted (Note 18)	1,033,123	238,875	1,271,998
Total net assets	<u>2,678,165</u>	<u>1,277,112</u>	<u>3,955,277</u>
Total liabilities and net assets	<u>\$ 5,498,463</u>	<u>\$ 2,942,638</u>	<u>\$ 8,441,101</u>

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2008

(in thousands of dollars)

	2008		
	University	NYU Langone Medical Center	Consolidated NYU
Assets			
Cash and cash equivalents	\$ 619,781	\$ 259,037	\$ 878,818
Short-term investments (Note 4)	31,556	184,303	215,859
Accounts and loans receivable, net (Note 5)	197,692	69,581	267,273
Patient accounts receivable, net	2,328	177,179	179,507
Contributions receivable, net (Notes 2 and 6)	257,021	264,159	521,180
Other assets (Note 7)	110,784	128,943	239,727
Deposits with trustees (Note 8)	493,801	139,047	632,848
Collateral for securities loaned (Note 4)	78,513	-	78,513
Long-term investments (Note 4)	1,863,397	806,703	2,670,100
Assets held by CCC550 (Note 12)	-	115,449	115,449
Land, buildings, and equipment, net (Notes 2 and 9)	2,013,133	850,956	2,864,089
Total assets	<u>\$ 5,668,006</u>	<u>\$ 2,995,357</u>	<u>\$ 8,663,363</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 218,150	\$ 460,506	\$ 678,656
Deferred revenue	567,785	42,973	610,758
Outstanding losses and loss adjustment expenses (Note 12)	-	141,807	141,807
Securities loan agreements payable (Note 4)	78,513	-	78,513
Bonds and notes payable (Notes 10, 11 and 20)	1,496,210	743,579	2,239,789
Federal grants refundable	64,189	10,332	74,521
Accrued benefit obligation (Note 13)	21,173	52,527	73,700
Accrued postretirement obligation (Note 14)	222,719	93,232	315,951
Asset retirement obligation (Note 2)	95,246	13,728	108,974
Total liabilities	<u>2,763,985</u>	<u>1,558,684</u>	<u>4,322,669</u>
Net assets			
Unrestricted	1,650,305	905,743	2,556,048
Temporarily restricted (Note 18)	233,160	297,553	530,713
Permanently restricted (Note 18)	1,020,556	233,377	1,253,933
Total net assets	<u>2,904,021</u>	<u>1,436,673</u>	<u>4,340,694</u>
Total liabilities and net assets	<u>\$ 5,668,006</u>	<u>\$ 2,995,357</u>	<u>\$ 8,663,363</u>

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
Year Ended August 31, 2009

(in thousands of dollars)

	2009								Total
	Washington Square	School of Medicine	Eliminations	Subtotal	*Polytechnic	Hospitals Center	CCC550	Eliminations	Consolidated NYU
Assets									
Cash and cash equivalents	\$ 630,464	\$ 76,372	\$ -	\$ 706,836	\$ 2,758	\$ 224,222	\$ -	\$ -	\$ 933,816
Short-term investments (Note 4)	31,701	125,566	-	157,267	-	-	-	-	157,267
Accounts and loans receivable, net (Note 5)	273,248	59,264	(64,321)	268,191	11,727	-	86,417	(61,701)	304,634
Patient accounts receivable, net	2,126	36,485	-	38,611	-	173,813	-	-	212,424
Contributions receivable, net (Notes 2 and 6)	248,529	78,989	-	327,518	232	131,397	-	-	459,147
Other assets (Note 7)	93,985	32,793	-	126,778	9,429	115,320	1,451	(22,521)	230,457
Deposits with trustees (Note 8)	97,979	3,733	-	101,712	7,274	102,228	-	-	211,214
Collateral for securities loaned (Note 4)	49,371	-	-	49,371	-	-	-	-	49,371
Long-term investments (Note 4)	1,554,155	668,817	-	2,222,972	93,895	20,449	-	-	2,337,316
Assets held by CCC550 (Note 12)	-	-	-	-	-	-	143,160	-	143,160
Land, buildings, and equipment, net (Notes 2 and 9)	2,340,604	385,446	-	2,726,050	115,307	560,938	-	-	3,402,295
Total assets	\$ 5,322,162	\$ 1,467,465	\$ (64,321)	\$ 6,725,306	\$ 240,622	\$ 1,328,367	\$ 231,028	\$ (84,222)	\$ 8,441,101
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 281,581	\$ 171,722	\$ (64,321)	\$ 388,982	\$ 10,513	\$ 354,129	\$ 519	\$ (24,689)	\$ 729,454
Deferred revenue	602,412	34,497	-	636,909	833	-	45,699	(37,012)	646,429
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	-	162,289	-	162,289
Security loan agreements payable (Note 4)	49,371	-	-	49,371	-	-	-	-	49,371
Bonds and notes payable (Notes 10, 11 and 20)	1,366,346	269,565	-	1,635,911	120,926	458,702	-	-	2,215,539
Federal grants refundable	64,276	10,324	-	74,600	3,635	-	-	-	78,235
Accrued benefit obligation (Note 13)	35,352	34,037	-	69,389	-	64,676	-	-	134,065
Accrued postretirement obligation (Note 14)	238,008	58,760	-	296,768	11,636	47,968	-	-	356,372
Asset retirement obligation (Note 2)	98,146	11,972	-	110,118	1,584	2,368	-	-	114,070
Total liabilities	2,735,492	590,877	(64,321)	3,262,048	149,127	927,843	208,507	(61,701)	4,485,824
Net assets									
Unrestricted	1,411,752	506,139	-	1,917,891	(521)	233,485	22,521	(22,521)	2,150,855
Temporarily restricted (Note 18)	231,988	140,320	-	372,308	1,823	158,293	-	-	532,424
Permanently restricted (Note 18)	942,930	230,129	-	1,173,059	90,193	8,746	-	-	1,271,998
Total net assets	2,586,670	876,588	-	3,463,258	91,495	400,524	22,521	(22,521)	3,955,277
Total liabilities and net assets	\$ 5,322,162	\$ 1,467,465	\$ (64,321)	\$ 6,725,306	\$ 240,622	\$ 1,328,367	\$ 231,028	\$ (84,222)	\$ 8,441,101

* As of June 30, 2009

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
Year Ended August 31, 2008

(in thousands of dollars)

	2008								
	Washington Square	School of Medicine	Eliminations	Subtotal	*Polytechnic	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets									
Cash and cash equivalents	\$ 617,083	\$ 122,664	\$ -	\$ 739,747	\$ 2,698	\$ 136,373	\$ -	\$ -	\$ 878,818
Short-term investments (Note 4)	31,556	173,476	-	205,032	-	10,827	-	-	215,859
Accounts and loans receivable, net (Note 5)	221,064	58,544	(35,624)	243,984	12,252	-	63,150	(52,113)	267,273
Patient accounts receivable, net	2,328	38,444	-	40,772	-	138,735	-	-	179,507
Contributions receivable, net (Notes 2 and 6)	256,523	112,078	-	368,601	498	152,081	-	-	521,180
Other assets (Note 7)	100,848	36,966	-	137,814	9,936	92,733	1,701	(2,457)	239,727
Deposits with trustees (Note 8)	486,279	3,710	-	489,989	7,522	135,337	-	-	632,848
Collateral for securities loaned (Note 4)	78,513	-	-	78,513	-	-	-	-	78,513
Long-term investments (Note 4)	1,737,178	759,145	-	2,496,323	126,219	47,558	-	-	2,670,100
Assets held by CCC550 (Note 12)	-	-	-	-	-	-	115,449	-	115,449
Land, buildings, and equipment, net (Notes 2 and 9)	1,895,009	383,622	-	2,278,631	118,124	467,334	-	-	2,864,089
Total assets	\$ 5,426,381	\$ 1,688,649	\$ (35,624)	\$ 7,079,406	\$ 277,249	\$ 1,180,978	\$ 180,300	\$ (54,570)	\$ 8,663,363
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 243,722	\$ 201,815	\$ (35,624)	\$ 409,913	\$ 10,052	\$ 274,768	\$ 163	\$ (16,240)	\$ 678,656
Deferred revenue	567,127	42,973	-	610,100	658	-	37,273	(37,273)	610,758
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	-	141,807	-	141,807
Security loan agreements payable (Note 4)	78,513	-	-	78,513	-	-	-	-	78,513
Bonds and notes payable (Notes 10, 11 and 20)	1,375,332	264,871	-	1,640,203	120,878	478,708	-	-	2,239,789
Federal grants refundable	60,447	10,332	-	70,779	3,742	-	-	-	74,521
Accrued benefit obligation (Note 13)	21,173	16,834	-	38,007	-	35,693	-	-	73,700
Accrued postretirement obligation (Note 14)	210,234	48,506	-	258,740	12,485	44,726	-	-	315,951
Asset retirement obligation (Note 2)	93,708	11,479	-	105,187	1,538	2,249	-	-	108,974
Total liabilities	2,650,256	596,810	(35,624)	3,211,442	149,353	836,144	179,243	(53,513)	4,322,669
Net assets									
Unrestricted	1,640,650	732,849	-	2,373,499	9,655	172,894	1,057	(1,057)	2,556,048
Temporarily restricted (Note 18)	231,950	134,375	-	366,325	1,210	163,178	-	-	530,713
Permanently restricted (Note 18)	903,525	224,615	-	1,128,140	117,031	8,762	-	-	1,253,933
Total net assets	2,776,125	1,091,839	-	3,867,964	127,896	344,834	1,057	(1,057)	4,340,694
Total liabilities and net assets	\$ 5,426,381	\$ 1,688,649	\$ (35,624)	\$ 7,079,406	\$ 277,249	\$ 1,180,978	\$ 180,300	\$ (54,570)	\$ 8,663,363

*As of June 30, 2008

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2009

(in thousands of dollars)

	2009		
	University	NYU Langone Medical Center	Consolidated NYU
Changes in unrestricted net assets			
Operating revenues			
Tuition and fees (net of financial aid awards of \$291,334 University; \$4,040 NYU Langone Medical Center)	\$ 1,234,664	\$ 32,401	\$ 1,267,065
Grants and contracts (Note 15)	161,708	203,122	364,830
Patient care (Note 3)	42,095	1,604,900	1,646,995
Insurance premiums earned	-	25,756	25,756
Hospital affiliations (Note 16)	-	209,124	209,124
New York State appropriation	7,414	-	7,414
Contributions	64,381	46,245	110,626
Endowment distribution and return on short-term investments (Note 4)	91,891	7,565	99,456
Auxiliary enterprises	329,685	33,817	363,502
Program fees and other	65,691	67,830	133,521
Net assets released from restrictions	49,697	33,163	82,860
Total operating revenues	<u>2,047,226</u>	<u>2,263,923</u>	<u>4,311,149</u>
Operating expenses (Note 17)			
Instruction and other academic programs	1,076,601	149,079	1,225,680
Research and other sponsored programs	165,904	202,816	368,720
Patient care	42,301	1,220,959	1,263,260
Hospital affiliations (Note 16)	-	206,693	206,693
Libraries	53,655	9,669	63,324
Student services	107,068	4,818	111,886
Institutional services	197,988	370,879	568,867
Auxiliary enterprises	350,276	75,620	425,896
Total operating expenses	<u>1,993,793</u>	<u>2,240,533</u>	<u>4,234,326</u>
Excess of operating revenues over expenses	53,433	23,390	76,823
Nonoperating activities			
Investment return less than endowment distribution, net (Note 4)	(286,970)	(112,681)	(399,651)
Other	25,473	(8,456)	17,017
Net assets released from restrictions for capital purposes	3,834	9,757	13,591
Changes in pension and postretirement obligations (Notes 13 and 14)	(34,844)	(78,129)	(112,973)
Decrease in unrestricted net assets	<u>(239,074)</u>	<u>(166,119)</u>	<u>(405,193)</u>
Changes in temporarily restricted net assets			
Contributions	59,963	45,709	105,672
Investment return, net (Note 4)	(2,080)	(1,729)	(3,809)
Other	(3,701)	-	(3,701)
Net assets released from restrictions	(53,531)	(42,920)	(96,451)
Increase in temporarily restricted net assets	<u>651</u>	<u>1,060</u>	<u>1,711</u>
Changes in permanently restricted net assets			
Contributions	43,667	5,498	49,165
Unrealized loss on deposits with trustees	(4,100)	-	(4,100)
Reclassification to unrestricted net assets (Note 18)	(27,000)	-	(27,000)
Increase in permanently restricted net assets	<u>12,567</u>	<u>5,498</u>	<u>18,065</u>
Decrease in net assets	<u>\$ (225,856)</u>	<u>\$ (159,561)</u>	<u>\$ (385,417)</u>

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU – Summary)
Year Ended August 31, 2008

(in thousands of dollars)

	2008		
	University	NYU Langone Medical Center	Consolidated NYU
Changes in unrestricted net assets			
Operating revenues			
Tuition and fees (net of financial aid awards of \$247,701 University; \$3,489 NYU Langone Medical Center)	\$ 1,193,204	\$ 30,187	\$ 1,223,391
Grants and contracts (Note 15)	134,617	199,519	334,136
Patient care (Note 3)	39,303	1,402,525	1,441,828
Insurance premiums earned	-	28,524	28,524
Hospital affiliations (Note 16)	-	196,685	196,685
New York State appropriation	4,830	-	4,830
Contributions	72,072	67,066	139,138
Endowment distribution and return on short-term investments (Note 4)	94,577	31,092	125,669
Auxiliary enterprises	319,610	33,312	352,922
Program fees and other	64,234	82,460	146,694
Net assets released from restrictions	84,544	71,409	155,953
Total operating revenues	<u>2,006,991</u>	<u>2,142,779</u>	<u>4,149,770</u>
Operating expenses (Note 17)			
Instruction and other academic programs	1,062,323	146,947	1,209,270
Research and other sponsored programs	143,485	196,149	339,634
Patient care	39,639	1,167,958	1,207,597
Hospital affiliations (Note 16)	-	191,885	191,885
Libraries	56,282	9,824	66,106
Student services	106,131	4,427	110,558
Institutional services	192,242	338,180	530,422
Auxiliary enterprises	323,347	72,881	396,228
Total operating expenses	<u>1,923,449</u>	<u>2,128,251</u>	<u>4,051,700</u>
Excess of operating revenues over operating expenses	83,542	14,528	98,070
Nonoperating activities			
Investment return less than endowment distribution, net (Note 4)	(109,355)	(45,901)	(155,256)
Other	11,285	655	11,940
Net assets released from restrictions for capital purposes	6,326	9,368	15,694
Changes in pension and postretirement obligations (Notes 13 and 14)	(4,832)	9,642	4,810
Decrease in unrestricted net assets	<u>(13,034)</u>	<u>(11,708)</u>	<u>(24,742)</u>
Changes in temporarily restricted net assets			
Contributions	90,964	149,310	240,274
Investment return, net (Note 4)	(2,101)	1,198	(903)
Other	(15,878)	-	(15,878)
Net assets released from restrictions	(90,870)	(80,777)	(171,647)
(Decrease) increase in temporarily restricted net assets	<u>(17,885)</u>	<u>69,731</u>	<u>51,846</u>
Changes in permanently restricted net assets			
Contributions	79,318	15,812	95,130
Unrealized loss on deposits with trustees	(8,135)	-	(8,135)
Reclassification to unrestricted net assets (Note 18)	(7,536)	-	(7,536)
Other	-	4	4
Increase in permanently restricted net assets	<u>63,647</u>	<u>15,816</u>	<u>79,463</u>
Increase in net assets	<u>\$ 32,728</u>	<u>\$ 73,839</u>	<u>\$ 106,567</u>

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2009

(in thousands of dollars)

	2009								Total
	Washington	School of	Eliminations	Subtotal	*Polytechnic	Hospitals	CCC550	Eliminations	Consolidated
	Square	Medicine				Center			NYU
Changes in unrestricted net assets									
Operating revenues									
Tuition and fees (net of financial aid awards of \$291,334 University; \$4,040 NYU Langone Medical Center)	\$ 1,174,946	\$ 32,401	\$ -	\$ 1,207,347	\$ 59,718	\$ -	\$ -	\$ -	\$ 1,267,065
Grants and contracts (Note 15)	151,085	200,568	-	351,653	10,623	2,554	-	-	364,830
Patient care (Note 3)	42,095	335,822	-	377,917	-	1,297,513	-	(28,435)	1,646,995
Insurance premiums earned	-	-	-	-	-	-	63,894	(38,138)	25,756
Hospital affiliations (Note 16)	-	209,124	-	209,124	-	-	-	-	209,124
New York State appropriation	7,132	-	-	7,132	282	-	-	-	7,414
Contributions	63,139	41,302	-	104,441	1,242	4,943	-	-	110,626
Endowment distribution and return on short-term investments (Note 4)	85,467	20,134	-	105,601	6,424	14	(12,583)	-	99,456
Auxiliary enterprises	326,304	33,817	-	360,121	3,381	-	-	-	363,502
Program fees and other	71,464	100,941	(6,293)	166,112	520	58,721	-	(91,832)	133,521
Net assets released from restrictions	44,477	22,863	-	67,340	5,220	10,300	-	-	82,860
Total operating revenues	1,966,109	996,972	(6,293)	2,956,788	87,410	1,374,045	51,311	(158,405)	4,311,149
Operating expenses (Note 17)									
Instruction and other academic programs	1,021,251	149,079	-	1,170,330	55,350	-	-	-	1,225,680
Research and other sponsored programs	153,946	202,816	-	356,762	11,958	-	-	-	368,720
Patient care	42,301	305,736	-	348,037	-	915,223	-	-	1,263,260
Hospital affiliations (Note 16)	-	206,693	-	206,693	-	-	-	-	206,693
Libraries	53,655	9,669	-	63,324	-	-	-	-	63,324
Student services	97,009	4,818	-	101,827	10,059	-	-	-	111,886
Institutional services	187,103	130,531	(6,293)	311,341	17,178	347,442	35,809	(142,903)	568,867
Auxiliary enterprises	347,863	75,620	-	423,483	2,413	-	-	-	425,896
Total operating expenses	1,903,128	1,084,962	(6,293)	2,981,797	96,958	1,262,665	35,809	(142,903)	4,234,326
Excess (deficiency) of operating revenues over operating expenses	62,981	(87,990)	-	(25,009)	(9,548)	111,380	15,502	(15,502)	76,823
Nonoperating activities									
Investment return less than endowment distribution, net (Note 4)	(259,160)	(104,667)	-	(363,827)	(27,810)	(8,014)	-	-	(399,651)
Other	(876)	(2,100)	-	(2,976)	26,349	(6,356)	-	-	17,017
Net assets released from restrictions for capital purposes	3,834	1,317	-	5,151	-	8,440	-	-	13,591
Changes in pension and postretirement obligations (Notes 13 and 14)	(35,677)	(33,270)	-	(68,947)	833	(44,859)	-	-	(112,973)
(Decrease) increase in unrestricted net assets	(228,898)	(226,710)	-	(455,608)	(10,176)	60,591	15,502	(15,502)	(405,193)
Changes in temporarily restricted net assets									
Contributions	55,117	26,854	-	81,971	4,846	18,855	-	-	105,672
Investment return, net (Note 4)	(3,028)	(1,729)	-	(4,757)	948	-	-	-	(3,809)
Other	(3,740)	5,000	-	1,260	39	(5,000)	-	-	(3,701)
Net assets released from restrictions	(48,311)	(24,180)	-	(72,491)	(5,220)	(18,740)	-	-	(96,451)
Increase (decrease) in temporarily restricted net assets	38	5,945	-	5,983	613	(4,885)	-	-	1,711
Changes in permanently restricted net assets									
Contributions	43,505	5,514	-	49,019	162	(16)	-	-	49,165
Unrealized loss on deposits with trustees	(4,100)	-	-	(4,100)	-	-	-	-	(4,100)
Reclassification to unrestricted net assets (Note 18)	-	-	-	-	(27,000)	-	-	-	(27,000)
Increase (decrease) in permanently restricted net assets	39,405	5,514	-	44,919	(26,838)	(16)	-	-	18,065
Decrease (increase) in net assets	\$ (189,455)	\$ (215,251)	\$ -	\$ (404,706)	\$ (36,401)	\$ 55,690	\$ 15,502	\$ (15,502)	\$ (385,417)

*For the year ended June 30, 2009

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.

New York University
Supplemental Schedule to the Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2008

(in thousands of dollars)

	2008								Total
	Washington Square	School of Medicine	Eliminations	Subtotal	*Polytechnic	Hospitals Center	CCC550	Eliminations	Consolidated NYU
Changes in unrestricted net assets									
Operating revenues									
Tuition and fees (net of financial aid awards of \$247,701 University; \$3,489 NYU Langone Medical Center)	\$ 1,144,891	\$ 30,187	\$ -	\$ 1,175,078	\$ 48,313	\$ -	\$ -	\$ -	\$ 1,223,391
Grants and contracts (Note 15)	122,040	196,309	-	318,349	12,577	3,210	-	-	334,136
Patient care (Note 3)	39,303	295,075	-	334,378	-	1,123,180	-	(15,730)	1,441,828
Insurance premiums earned	-	-	-	-	-	-	41,395	(12,871)	28,524
Hospital affiliations (Note 16)	-	196,685	-	196,685	-	-	-	-	196,685
New York State appropriation	4,592	-	-	4,592	238	-	-	-	4,830
Contributions	69,429	53,435	-	122,864	2,643	13,631	-	-	139,138
Endowment distribution and return on short-term investments (Note 4)	90,267	27,711	-	117,978	4,310	7,946	(4,565)	-	125,669
Auxiliary enterprises	313,925	33,312	-	347,237	5,685	-	-	-	352,922
Program fees and other	70,030	44,293	(7,521)	106,802	1,725	45,153	-	(6,986)	146,694
Net assets released from restrictions	73,013	61,208	-	134,221	11,531	10,201	-	-	155,953
Total operating revenues	<u>1,927,490</u>	<u>938,215</u>	<u>(7,521)</u>	<u>2,858,184</u>	<u>87,022</u>	<u>1,203,321</u>	<u>36,830</u>	<u>(35,587)</u>	<u>4,149,770</u>
Operating expenses (Note 17)									
Instruction and other academic programs	1,010,094	146,947	-	1,157,041	52,229	-	-	-	1,209,270
Research and other sponsored programs	130,207	196,149	-	326,356	13,278	-	-	-	339,634
Patient care	39,639	257,103	-	296,742	-	910,855	-	-	1,207,597
Hospital affiliations (Note 16)	-	191,885	-	191,885	-	-	-	-	191,885
Libraries	56,282	9,824	-	66,106	-	-	-	-	66,106
Student services	97,486	4,427	-	101,913	8,645	-	-	-	110,558
Institutional services	183,302	86,301	(7,521)	262,082	16,461	250,636	44,540	(43,297)	530,422
Auxiliary enterprises	318,162	72,881	-	391,043	5,185	-	-	-	396,228
Total operating expenses	<u>1,835,172</u>	<u>965,517</u>	<u>(7,521)</u>	<u>2,793,168</u>	<u>95,798</u>	<u>1,161,491</u>	<u>44,540</u>	<u>(43,297)</u>	<u>4,051,700</u>
Excess (deficiency) of operating revenues over operating expenses	92,318	(27,302)	-	65,016	(8,776)	41,830	(7,710)	7,710	98,070
Nonoperating activities									
Investment return less than endowment distribution, net (Note 4)	(98,354)	(39,307)	-	(137,661)	(11,001)	(6,594)	-	-	(155,256)
Other	5,287	655	-	5,942	5,998	-	-	-	11,940
Net assets released from restrictions for capital purposes	6,326	-	-	6,326	-	9,368	-	-	15,694
Changes in pension and postretirement obligations (Notes 13 and 14)	(5,299)	2,336	-	(2,963)	467	7,306	-	-	4,810
Increase (decrease) in unrestricted net assets	278	(63,618)	-	(63,340)	(13,312)	51,910	(7,710)	7,710	(24,742)
Changes in temporarily restricted net assets									
Contributions	85,872	39,941	-	125,813	5,092	109,369	-	-	240,274
Investment return, net (Note 4)	(3,173)	1,198	-	(1,975)	1,072	-	-	-	(903)
Other	(15,935)	-	-	(15,935)	57	-	-	-	(15,878)
Net assets released from restrictions	(79,339)	(61,208)	-	(140,547)	(11,531)	(19,569)	-	-	(171,647)
(Decrease) increase in temporarily restricted net assets	(12,575)	(20,069)	-	(32,644)	(5,310)	89,800	-	-	51,846
Changes in permanently restricted net assets									
Contributions	78,927	15,812	-	94,739	391	-	-	-	95,130
Unrealized loss on deposits with trustees	(8,135)	-	-	(8,135)	-	-	-	-	(8,135)
Reclassification to unrestricted net assets (Note 18)	-	-	-	-	(7,536)	-	-	-	(7,536)
Other	-	-	-	-	-	4	-	-	4
Increase (decrease) in permanently restricted net assets	70,792	15,812	-	86,604	(7,145)	4	-	-	79,463
Increase (decrease) in net assets	<u>\$ 58,495</u>	<u>\$ (67,875)</u>	<u>\$ -</u>	<u>\$ (9,380)</u>	<u>\$ (25,767)</u>	<u>\$ 141,714</u>	<u>\$ (7,710)</u>	<u>\$ 7,710</u>	<u>\$ 106,567</u>

*For the year ended June 30, 2008

The accompanying notes and supplemental schedules are an integral part of these consolidated financial statements.