

New York University
Consolidated Financial Statements
August 31, 2012 and 2011

New York University
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August 31, 2012 and 2011

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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 of cash flows present fairly, in all material respects, the consolidated financial position of New York University ("NYU") at August 31, 2012 and 2011 and the results of 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 18 to the consolidated financial statements, in 2011, NYU changed the manner in which it classifies accumulated total investment returns within net assets as a result of the adoption of authoritative guidance, ASC 958 Not-for-Profit Entities.

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 41 through 48 in Appendix A - Supplemental Schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information 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 and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position and results of operations of the individual entities.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers LLP", is written over a light blue horizontal line.

December 20, 2012

New York University
Consolidated Balance Sheets
August 31, 2012 and 2011

(in thousands of dollars)

	2012	2011
Assets		
Cash and cash equivalents	\$ 1,417,647	\$ 1,180,319
Short-term investments (Note 4)	33,568	48,474
Accounts and loans receivable, net (Note 5)	384,101	349,641
Patient accounts receivable, net	304,419	283,380
Contributions receivable, net (Note 6)	442,864	417,777
Other assets (Note 7)	247,442	234,442
Deposits with trustees (Note 8)	265,381	315,454
Collateral for securities loaned (Note 4)	6,023	4,965
Long-term investments (Note 4)	2,959,755	2,889,333
Assets held by insurance captive (CCC550) (Note 12)	262,628	226,951
Land, buildings, and equipment, net (Note 9)	4,891,939	4,445,318
Total assets	<u>\$ 11,215,767</u>	<u>\$ 10,396,054</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 956,294	\$ 921,698
Deferred revenue	825,525	815,997
Outstanding losses and loss adjustment expenses (Note 12)	188,962	168,530
Security loan agreements payable (Note 4)	6,023	4,965
Bonds and notes payable (Notes 10 and 11)	3,191,772	2,881,201
Federal grants refundable	75,665	74,868
Accrued benefit obligation (Note 13)	296,888	154,328
Accrued postretirement obligation (Note 14)	546,900	416,948
Asset retirement obligation	138,728	137,538
Total liabilities	<u>6,226,757</u>	<u>5,576,073</u>
Net assets		
Unrestricted	2,635,053	2,580,496
Temporarily restricted (Note 18)	850,378	836,751
Permanently restricted (Note 18)	1,503,579	1,402,734
Total net assets	<u>4,989,010</u>	<u>4,819,981</u>
Total liabilities and net assets	<u>\$ 11,215,767</u>	<u>\$ 10,396,054</u>

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

New York University
Consolidated Statements of Activities
Years Ended August 31, 2012 and 2011

(in thousands of dollars)

	2012	2011
Changes in unrestricted net assets		
Operating revenues		
Tuition and fees (net of financial aid awards of \$401,313 and \$369,387)	\$ 1,470,547	\$ 1,397,999
Grants and contracts (Note 15)	601,103	550,474
Insurance premiums earned	36,892	27,414
Patient care (Note 3)	2,326,120	2,063,192
Hospital affiliations (Note 16)	261,384	250,086
New York State appropriation	12,369	7,484
Contributions	130,281	114,911
Endowment distribution (Note 4)	118,648	109,825
Return on short-term investments (Note 4)	20,614	15,161
Auxiliary enterprises	383,362	369,339
Program fees and other	190,698	127,464
Net assets released from restrictions	129,217	114,752
Total operating revenues	5,681,235	5,148,101
Expenses (Note 17)		
Instruction and other academic programs	1,269,293	1,202,686
Research and other sponsored programs	659,276	580,042
Patient care	1,867,706	1,688,233
Hospital affiliations (Note 16)	242,457	229,475
Libraries	69,092	66,623
Student services	110,805	114,532
Institutional services	686,821	621,504
Auxiliary enterprises	428,161	424,958
Total expenses	5,333,611	4,928,053
Excess of operating revenues over expenses	347,624	220,048
Nonoperating activities		
Investment return (Note 4)	31,167	149,748
Appropriation of endowment distribution (Note 4)	(50,292)	(47,023)
Other	(4,341)	4,991
Net assets released from restrictions for capital purposes	6,836	26,053
Changes in pension and postretirement obligations (Notes 13 and 14)	(276,437)	32,629
Increase in unrestricted net assets before effect of change in accounting principle	54,557	386,446
Cumulative effect of change in accounting principle (Notes 2 and 18)	-	(198,427)
Increase in unrestricted net assets after effect of change in accounting principle	54,557	188,019
Changes in temporarily restricted net assets		
Contributions	183,361	136,625
Investment return (Note 4)	42,165	176,888
Appropriation of endowment distribution (Note 4)	(68,356)	(62,802)
Other	(7,490)	(3,151)
Net assets released from restrictions	(136,053)	(136,992)
Cumulative effect of change in accounting principle (Notes 2 and 18)	-	198,427
Increase in temporarily restricted net assets	13,627	308,995
Changes in permanently restricted net assets		
Contributions	106,170	64,847
Other	(5,325)	5,647
Reclassification to unrestricted net assets (Note 18)	-	(3,813)
Increase in permanently restricted net assets	100,845	66,681
Increase in net assets	\$ 169,029	\$ 563,695

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

New York University

Consolidated Statements of Cash Flows

Years Ended August 31, 2012 and 2011

(in thousands of dollars)

	2012	2011
Cash flows from operating activities		
Change in net assets	\$ 169,029	\$ 563,695
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	339,271	293,242
Loss (gain) on disposal of property, plant, and equipment	3,881	(560)
Net gain on investments and deposits with trustees	(69,800)	(309,404)
Bad debt expense	51,525	29,467
Loss on refinancing of debt	3,258	-
Pension and postretirement obligation change	276,437	(32,629)
Asset retirement obligation adjustment	(3,960)	(1,535)
Contributions restricted for permanent investment and capital	(164,563)	(106,060)
Contributed assets	(9,726)	(1,647)
Changes in operating assets and liabilities		
Increase in accounts and loans receivable, net	(21,821)	(65,062)
Increase in patient accounts receivable	(60,245)	(77,697)
Increase in nonendowment and noncapital contributions receivable	(39,703)	(7,293)
Increase in other assets	(10,173)	(1,927)
(Decrease) increase in accounts payable and accrued expenses	(869)	107,683
Increase (decrease) in outstanding losses and adjustment expenses	20,432	(27,381)
Increase in deferred revenue	9,528	201,530
Decrease in accrued pension obligation	(5,145)	(22,218)
Increase in accrued postretirement obligation	1,220	19,178
Net cash provided by operating activities	<u>488,576</u>	<u>561,382</u>
Cash flows from investing activities		
Purchases of investments	(1,628,887)	(1,428,777)
Sales and maturities of investments	1,679,500	1,446,304
Increase in deposits held with captive	(24,057)	(12,877)
Drawdowns of unexpended bond proceeds	65,598	112,305
Additions to land, buildings, and equipment, net of disposals	<u>(725,960)</u>	<u>(734,109)</u>
Net cash used in investing activities	<u>(633,806)</u>	<u>(617,154)</u>
Cash flows from financing activities		
Contributions restricted for permanent investment and capital	112,968	82,413
Decrease in endowment and capital contributions receivable	12,053	13,260
Proceeds from short-term borrowings	374,682	196,375
Proceeds from long-term borrowings	268,907	-
Principal payments on short-term borrowings	(296,550)	(76,000)
Principal payments on bonds and notes payable	(83,937)	(89,078)
Payments of deferred financing costs	(2,191)	(2,830)
Increase in federal grants refundable	797	1,247
(Increase) decrease in deposits with bond trustees	<u>(4,171)</u>	<u>13,960</u>
Net cash provided by financing activities	<u>382,558</u>	<u>139,347</u>
Net increase in cash	237,328	83,575
Cash		
Beginning of year	<u>1,180,319</u>	<u>1,096,744</u>
End of year	<u>\$ 1,417,647</u>	<u>\$ 1,180,319</u>
Supplemental disclosure of cash flow information		
Bond proceeds	\$ 324,988	\$ 128,969
Interest paid	\$ 125,847	\$ 131,549
Non-cash acquisitions of property, plant and equipment	\$ 50,965	\$ 50,295
Assets acquired under capital leases	\$ 33,431	\$ 735

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

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Notes to Consolidated Financial Statements

August 31, 2012 and 2011

(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.

The consolidated reporting entities for NYU consist of the University, which represents the consolidation of the Washington Square and Polytechnic Institute of New York University (Polytechnic) campuses, and the NYU Langone Medical Center (Medical Center), which represents the consolidation of the NYU Hospitals Center (the Hospitals Center or NYUHC), the NYU School of Medicine (NYUSoM) 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

Washington Square includes eighteen colleges and divisions 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, NYU School of Medicine (reported with the Hospitals Center 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 Abu Dhabi. Washington Square also operates academic program sites and research programs in other parts of the United States and abroad.

In addition to the colleges and divisions, NYU will be operating NYU Shanghai, which will grant NYU degrees, as a joint venture with East China Normal University, with an intended opening Fall 2013.

Effective July 1, 2008, Polytechnic University became affiliated with NYU under the name Polytechnic Institute of New York University. 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, 2012 and 2011 and for the twelve month fiscal years ended June 30, 2012 and 2011. The effect of using this fiscal reporting period was not material to the consolidated financial statements.

NYU Langone Medical Center

NYU is the sole member of the Hospitals Center. The NYU Board of Trustees appoints the members of the Hospitals Center Board, who are also appointed as members of the New York University School of Medicine Advisory Board. The Hospitals Center and the NYU School of Medicine are referred to collectively as the NYU Langone Medical Center and share a common management. The University has not assumed any responsibility or liability for the financial obligations of the Hospitals Center.

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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. The Cancer Center is a New York not-for-profit corporation whose purpose is to promote and support the diagnosis and treatment of cancer. The Hospitals Center is the sole member of the Cancer Center, with the University retaining approval rights over certain matters. 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 consolidated financial statements of NYU have, in all material respects, been prepared on an accrual basis in accordance with generally accepted accounting principles in the United States.

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 Accounting Standards Codification (ASC), Topic 958. This standard 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 purposes, in accordance with donor provisions.

Temporarily Restricted net assets include contributions and investment return that can be expended when donor or legal restrictions have 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 or both.

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.

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Operations

Tuition and fees are derived from degree programs as well as executive and continuing education programs. Tuition and fee revenue is recognized as operating income in the period in which it is earned. Tuition and fee receipts received in advance are recorded as deferred revenue. Net tuition and fees are computed after deducting certain scholarships and fellowships awarded to students. 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 relating to board-designated endowment funds and the related endowment appropriation, as well as changes in pension and postretirement obligations and unusual or nonrecurring activity, are classified as nonoperating in the consolidated statement of activities.

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 an estimated interest rate for the year in which the promise was received and considers market and credit risk as applicable (1.9% in 2012 and 3.0% in 2011). Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Allowances are recorded for estimated uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

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 Hospitals 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 Hospitals 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 reported at cost. Since payment of this difference is not sought, charity care allowances are not reported as revenue. Total charity care for all patient services was \$23,083 and \$21,190 for the years ended August 31, 2012 and 2011, respectively. This equated to an approximate cost of \$7,191 and \$7,210 for the years ended August 31, 2012 and 2011, which is based on a ratio of cost to charges during the period.

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 \$39,206 and \$24,127 for the years ended August 31, 2012 and 2011, respectively.

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(in thousands of dollars)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly-liquid debt instruments with maturities of three months or less when purchased. This does not include pooled 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.

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. The fair value of the liability for a conditional asset retirement obligation is recognized in the period in which it occurred, provided that it can be reasonably estimated. Corresponding asset retirement costs (net of accumulated depreciation) have been included in land, buildings and equipment.

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 2011 consolidated financial statements have been reclassified to conform to the current year's presentation.

New Authoritative Pronouncements

Effective for the fiscal year ended August 31, 2012, NYU adopted Accounting Standards Update (ASU) No. 2010-23, *Measuring Charity Care for Disclosure*. ASU No. 2010-23 requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided. ASU No. 2010-23 also requires separate disclosure of the amount of any cash reimbursements received for providing charity care. These disclosures are included in the Uncompensated Care section of Note 2.

Effective for the fiscal year ended August 31, 2012, NYU adopted ASU No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*. Under ASU No. 2010-24, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities will be presented separately on the balance sheet. Adoption of the standard had no impact on NYU's balance sheets.

Effective for the fiscal year ended August 31, 2012, NYU adopted ASU No. 2011-07, *Presentation and Disclosures of Patient Service Revenue Provision for Bad Debts and Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU No. 2011-07, requires that health care entities must reclassify their provisions for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and

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(in thousands of dollars)

discounts). This guidance is effective for fiscal years beginning after December 15, 2011, with early adoption permitted. The Medical Center has early adopted this guidance within its combined statements of operations for the fiscal year ended August 31, 2012, and also applied the guidance retrospectively for the year ended August 31, 2011. The enhanced disclosures required under this guidance are included in Note 3.

Effective for the fiscal year ended August 31, 2012, NYU adopted ASU No. 2011-09, *Compensation Retirement Benefits Multiemployer Plans*. ASU No. 2011-09 requires that employers provide additional separate disclosures for multiemployer pension plans and multiemployer other postretirement benefit plans. These disclosures are provided in Note 13.

Effective for the fiscal year ended August 31, 2012, NYU adopted additional disclosure requirements of ASC Topic 820, *Fair Value Measurements and Disclosures*, which requires gross reporting of changes of Level 3 investments related to purchase and sale activity. This standard requires that information, such as description of and reason for transfers be disclosed. There were no significant transfers in and out of Levels 1 and 2 fair value measurements in 2012.

3. Patient Care Revenue

The Medical 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 for the Medical Center is reported at the estimated net realizable amounts due from patients, third-party payers 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 periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Patient service revenue for the Medical Center, net of contractual allowances and discounts, recognized in the period from these major sources, is as follows for the years ended August 31, 2012 and 2011:

	2012	2011
Gross charges	\$ 7,168,847	\$ 5,342,641
Allowances	<u>(4,850,613)</u>	<u>(3,300,604)</u>
Patient service revenue, net of contractual allowances	2,318,234	2,042,037
Bad debt	<u>(39,206)</u>	<u>(24,127)</u>
Total net patient service revenue	<u>\$ 2,279,028</u>	<u>\$ 2,017,910</u>

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. The Medical Center's estimation process includes a monthly review of the collectability of receivables based on the payer classification and the period from which the receivables have been outstanding.

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The Medical 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 Medical Center-specific data. The net amounts due to third party payers at August 31, 2012 and 2011 are \$104,082 and \$74,175, respectively. Additionally, certain payers' payment rates for various years have been appealed by the Medical Center. If the appeals are successful, additional income applicable to those years may be realized.

The Hospital Centers' Medicare cost reports have been audited through December 31, 2004 and finalized through 2002 by the Medicare intermediary.

The mix of receivables (net of contractual allowances and advances from certain third-parties) from patients and third party payers at August 31, 2012 and 2011 are as follows:

	2012		2011	
	NYUHC	NYUSoM	NYUHC	NYUSoM
Medicare	14 %	26 %	21 %	23 %
Medicaid	2	6	3	4
Blue Cross	14	18	17	18
Managed care and other	70	50	59	55
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

4. Investments

Fair Value Measurements

Authoritative guidance of fair value measurements, ASC Topic 820, *Fair Value Measurements and Disclosures*, *Fair Value Measurements*, establishes a hierarchy of valuation methodologies based on the extent to which asset valuations 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 on 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.

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 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 Fixed Income, Equity, Opportunistic & Credit, Real Assets and other similar funds). The net asset value (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

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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 due diligence around these investments to ensure NAV is an appropriate measure of fair value as of August 31, 2012 and 2011.

Asset Classes

Investments held by NYU's investment pool are categorized as follows:

NYU invests across a broad range of asset classes, including Equity, Real Assets, Opportunistic & Credit, and Fixed Income. NYU may invest directly in the securities of these asset classes, or indirectly or through interests in funds and limited partnerships. Securities held directly by NYU are valued at their observable market prices. The value of holdings in funds and limited partnerships are in accordance with the valuations provided by their investment managers. Funds and limited partnerships may make investments in securities that are publicly traded, which are generally valued based on observable market prices, unless a restriction exists. Managers of investment funds and limited partnerships value those investments based upon the best information available for a given circumstance and may incorporate assumptions that are the investment manager's best estimates after consideration of a variety of internal and external factors. If no public market exists for the investments, the fair value is determined by the investment manager taking into consideration, among other things, the cost of the investment, prices of recent significant placements of similar investments of the same issuer and subsequent developments concerning the companies to which the investments relate. If NYU has the ability to redeem from an alternative investment up to 90 days beyond the measurement date at NAV, the investment is generally categorized as Level 2. If the redemption period extends beyond 90 days, the investment is categorized as Level 3. Funds that NYU does not have discretion for timing of withdrawals are categorized as Level 3.

Equity

Equity consists of public equity (which may include passive index exposure) and alternative equity strategies including long/short equity and private equity. Included in this asset class are \$240,919 and \$242,939 of private equity funds as of August 31, 2012 and 2011, respectively.

Real Assets

Real Assets includes public and private investments in real estate and natural resources. Included in this asset class are \$100,198 and \$85,072 of private investments as of August 31, 2012 and 2011, respectively.

Opportunistic & Credit

Opportunistic & Credit includes a diverse range of strategies which includes: credit, distressed situations, opportunistic value, macro, event driven, relative value, risk arbitrage and special situations.

Fixed Income

Fixed Income includes investments in cash and cash equivalents, U.S. and foreign bonds, and corporate and asset-backed securities.

Other Long-Term Investments

Other Long-Term Investments is predominantly comprised of liquidating investments (valued at NAV as determined by the general partner).

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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.

The following table summarizes the fair value of financial instruments at August 31:

	2012			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Long-term investments				
Equity	\$ 178,505	\$ 625,877	\$ 570,259	\$ 1,374,641
Real assets	53,147	115,538	100,198	268,883
Opportunistic & credit	-	294,708	582,978	877,686
Fixed income	47,351	171,683	132,366	351,400
Other	23,333	5,745	32,817	61,895
Subtotal investment pool	302,336	1,213,551	1,418,618	2,934,505
Equity	18,843	3,144	-	21,987
Fixed income	-	1,238	-	1,238
Other	-	-	2,025	2,025
Subtotal other long-term investments	18,843	4,382	2,025	25,250
Total long-term investments	321,179	1,217,933	1,420,643	2,959,755
Short-term investments				
Working capital	33,568	-	-	33,568
Total short-term investments	33,568	-	-	33,568
Other financial instruments				
Funds held in perpetual trust (Note 7)	-	-	11,179	11,179
Deposits with trustees (Note 8)	231,552	33,829	-	265,381
Assets held by CCC550 (Note 12)	-	-	262,628	262,628
Total	\$ 586,299	\$ 1,251,762	\$ 1,694,450	\$ 3,532,511

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	2011			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Long-term investments				
Equity	\$ 207,461	\$ 623,870	\$ 522,479	\$ 1,353,810
Real assets	-	152,674	85,072	237,746
Opportunistic & credit	-	192,112	592,025	784,137
Fixed income	82,179	173,191	176,078	431,448
Other	6,391	5,717	45,183	57,291
Subtotal investment pool	296,031	1,147,564	1,420,837	2,864,432
Equity	18,877	3,141	-	22,018
Fixed income	-	1,183	-	1,183
Other	-	-	1,700	1,700
Subtotal other long-term investments	18,877	4,324	1,700	24,901
Total long-term investments	314,908	1,151,888	1,422,537	2,889,333
Short-term investments				
Working capital	48,474	-	-	48,474
Total short-term investments	48,474	-	-	48,474
Other financial instruments				
Funds held in perpetual trust (Note 7)	-	-	11,967	11,967
Deposits with trustees (Note 8)	271,163	44,291	-	315,454
Assets held by CCC550 (Note 12)	-	-	226,951	226,951
Total	\$ 634,545	\$ 1,196,179	\$ 1,661,455	\$ 3,492,179

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:

	2012							Total Investments
	Equity	Real Assets	Opportunistic & Credit	Fixed Income	CCC550	Perpetual Trust	Other	
Fair value, August 31, 2011	\$ 522,479	\$ 85,072	\$ 592,025	\$ 176,078	\$ 226,951	\$ 11,967	\$ 46,883	\$ 1,661,455
Realized gains (losses)	16,497	9,582	29,257	5,654	2,159	-	(1,479)	61,670
Unrealized (losses) gains	10,203	(6,143)	(9,758)	(4,305)	3,299	(788)	2,229	(5,263)
Purchases	89,416	25,138	119,897	-	30,219	-	-	264,670
Sales	(68,336)	(13,451)	(148,443)	(45,061)	-	-	(12,791)	(288,082)
Fair value, August 31, 2012	\$ 570,259	\$ 100,198	\$ 582,978	\$ 132,366	\$ 262,628	\$ 11,179	\$ 34,842	\$ 1,694,450

	2011							Total Investments
	Equity	Real Assets	Opportunistic & Credit	Fixed Income	CCC550	Perpetual Trust	Other	
Fair value, August 31, 2010	\$ 429,901	\$ 62,409	\$ 589,055	\$ 156,498	\$ 205,998	\$ 14,250	\$ 57,278	\$ 1,515,389
Realized gains (losses)	25,886	4,394	31,859	-	-	-	(2,480)	59,659
Unrealized gains (losses)	52,747	5,444	23,613	19,580	20,953	(2,283)	5,865	125,919
Net purchases, sales, settlements	13,945	12,825	(52,502)	-	-	-	(13,780)	(39,512)
Fair value, August 31, 2011	\$ 522,479	\$ 85,072	\$ 592,025	\$ 176,078	\$ 226,951	\$ 11,967	\$ 46,883	\$ 1,661,455

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At August 31, 2012, NYU's unfunded commitments are as follows:

	Unfunded Commitments	Remaining Life	Timing to Draw Commitments
Equity	\$ 51,800	Up to 10 years	7 to 30 days
Opportunistic & credit	66,900	Up to 10 years	7 to 30 days
Real assets	<u>56,000</u>	Up to 15 years	7 to 30 days
	<u>\$ 174,700</u>		

NYU records purchases and sales of securities on a trade-date basis. NYU has included receivables for securities sold of \$5,600 and \$4,000 at August 31, 2012 and 2011, respectively, and liabilities for securities purchased of \$2,465 and \$1,000 at August 31, 2012 and 2011, respectively, in long-term investments.

Investment securities having a fair value of \$5,838 and \$4,836 at August 31, 2012 and 2011, respectively, were lent to various brokerage firms. The securities are returnable on demand and were collateralized by cash deposits of \$6,023 and \$4,965 at August 31, 2012 and 2011, 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, 2012 and 2011 is as follows:

	2012	2011
Dividends and interest	\$ 24,861	\$ 33,258
Realized and unrealized gains, net	75,156	315,925
Investment expenses	<u>(6,071)</u>	<u>(7,386)</u>
Total investment return, net	<u>\$ 93,946</u>	<u>\$ 341,797</u>
Endowment distribution approved for spending	\$ 118,648	\$ 109,825
Return on short-term investments	20,614	15,161
Unrestricted investment return, net of spending	(19,125)	102,725
Temporarily restricted investment return, net of spending	<u>(26,191)</u>	<u>114,086</u>
Total investment return, net	<u>\$ 93,946</u>	<u>\$ 341,797</u>

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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 (approximately 5% in 2012 and 2011). The rate is applied to the twelve-quarter moving average fair value of the investment pool. Investment return (realized and unrealized net gains or losses on investments, interest and dividends) and the appropriation for the approved endowment distribution for board-designated endowment funds are reported as nonoperating activities in the consolidated statement of activities. Investment return and the appropriation for the approved endowment distribution for true endowment funds are reported as temporarily restricted activities in the consolidated statement of activities.

Polytechnic has endowment and similar funds invested in a separate pool. Polytechnic's Board of Trustees authorized spending rates for 2012 and 2011 of 5.5% and 3.4%, respectively, of the three-year rolling average market value of the endowment.

5. Accounts and Loans Receivable

Accounts and loans receivable consist of the following at August 31, 2012 and 2011:

	2012	2011
Students and other	\$ 145,985	\$ 98,257
Grants and contracts	53,040	62,580
Student loans	110,295	108,641
Housing loans and other loans to employees	70,108	70,359
Insurance premiums (CCC550)	35,849	45,149
	<u>415,277</u>	<u>384,986</u>
Allowance for uncollectible amounts	<u>(31,176)</u>	<u>(35,345)</u>
Accounts and loans receivable, net	<u>\$ 384,101</u>	<u>\$ 349,641</u>

The allowance for uncollectible amounts at August 31, 2012 and 2011 consists of the following:

	2012	2011
Students and other	\$ (12,480)	\$ (16,823)
Grants and contracts	(11,104)	(11,418)
Student loans	(7,037)	(7,082)
Housing loans and other loans to employees	<u>(555)</u>	<u>(22)</u>
Total allowance for uncollectible amounts	<u>\$ (31,176)</u>	<u>\$ (35,345)</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.

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Student loans consist primarily of federal advances to the University under the Perkins Loan Program which totaled \$77,007 and \$74,981 at August 31, 2012 and 2011, respectively. The University records a liability on its balance sheet for these advances.

Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluation of the student loan and student receivable portfolios.

Housing loans and other loans to employees are secured by an interest in the underlying property or continued employment.

6. Contributions Receivable

Contributions receivable consist of the following at August 31, 2012 and 2011:

	2012	2011
Amounts expected to be collected in:		
Less than one year	\$ 113,328	\$ 126,132
One to five years	368,089	333,622
More than five years	81,483	78,751
	<u>562,900</u>	<u>538,505</u>
Discount to present value	(51,132)	(54,407)
Allowance for uncollectible amounts	<u>(68,904)</u>	<u>(66,321)</u>
Contributions receivable, net	<u>\$ 442,864</u>	<u>\$ 417,777</u>

Contributions receivable activity for the years ended August 31, 2012 and 2011 is as follows:

	2012	2011
Contributions receivable, beginning of year, net	\$ 417,777	\$ 417,025
Add discount to present value and allowance for uncollectible amounts	<u>120,728</u>	<u>131,493</u>
Contributions receivable beginning of year, gross	538,505	548,518
New pledges received (undiscounted)	250,005	161,079
Adjustments and write-offs	(14,486)	(6,542)
Pledge payments received	<u>(211,124)</u>	<u>(164,550)</u>
Subtotal	562,900	538,505
Deduct discount to present value and allowance for uncollectible amounts	<u>(120,036)</u>	<u>(120,728)</u>
Contributions receivable, end of year, net	<u>\$ 442,864</u>	<u>\$ 417,777</u>

Conditional promises to give, not included in these financial statements, are \$625,827 and \$656,621 at August 31, 2012 and 2011, respectively.

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Expenses related to fundraising activities are \$34,266 and \$31,347 for the years ended August 31, 2012 and 2011, respectively.

7. Other Assets

Other assets consist of the following at August 31, 2012 and 2011:

	2012	2011
Prepaid expenses and deferred charges	\$ 82,883	\$ 61,216
Third-party payer receivables	9,598	14,691
Inventory	33,232	36,497
Unamortized bond issuance costs	45,282	44,598
Real estate held for sale	10,360	18,272
Donated royalty	17,708	17,760
Perpetual trusts	11,179	11,967
Other	<u>37,200</u>	<u>29,441</u>
Other assets	<u>\$ 247,442</u>	<u>\$ 234,442</u>

Real estate held for sale of \$10,360 and \$18,272 at August 31, 2012 and 2011, 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.

8. Deposits with Trustees

Deposits with trustees consist of the following at August 31, 2012 and 2011:

	2012	2011
Unexpended Bond Proceeds		
Construction funds	\$ 157,488	\$ 192,051
Debt service funds	5,502	5,435
Debt service reserve funds	72,228	69,154
Capitalized interest funds	7,626	12,973
Other	648	14,665
Perpetual trust	<u>21,889</u>	<u>21,176</u>
Deposits with trustees	<u>\$ 265,381</u>	<u>\$ 315,454</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.

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9. Land, Buildings, and Equipment

Land, buildings and equipment consist of the following at August 31, 2012 and 2011:

	2012	2011
Land	\$ 205,445	\$ 202,444
Buildings and building improvements	5,899,661	5,372,563
Equipment	1,075,360	1,029,805
Construction in progress	<u>707,713</u>	<u>612,279</u>
	7,888,179	7,217,091
Less: Accumulated depreciation	<u>(2,996,240)</u>	<u>(2,771,773)</u>
Land, buildings, and equipment, net	<u>\$ 4,891,939</u>	<u>\$ 4,445,318</u>

Depreciation expense is \$333,730 and \$287,811 for the years ended August 31, 2012 and 2011, respectively.

Capitalized software is \$99,021 and \$103,835 for the years ended August 31, 2012 and 2011, respectively.

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, 2012 and 2011:

	2012					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
Issuer						
Dormitory Authority of the State of New York (DASNY)	\$ 1,732,706	\$ 213,799	\$ 1,946,505	\$ -	\$ 504,049	\$ 2,450,554
New York City Industrial Development Agency (NYCIDA)	-	-	-	103,141	-	103,141
New York University (NYU)	41,868	86,432	128,300	-	248,964	377,264
Other bonds and notes payable	<u>87,913</u>	<u>6,638</u>	<u>94,551</u>	<u>16,002</u>	<u>150,260</u>	<u>260,813</u>
Bonds and notes payable	<u>\$ 1,862,487</u>	<u>\$ 306,869</u>	<u>\$ 2,169,356</u>	<u>\$ 119,143</u>	<u>\$ 903,273</u>	<u>\$ 3,191,772</u>

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	2011					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
Issuer						
Dormitory Authority of the State of New York (DASNY)	\$ 1,528,530	\$ 215,523	\$ 1,744,053	\$ -	\$ 517,210	\$ 2,261,263
New York City Industrial Development Agency (NYCIDA)	62,061	-	62,061	105,146	-	167,207
New York University (NYU)	41,868	86,432	128,300	-	-	128,300
Other bonds and notes payable	226,130	735	226,865	15,899	81,667	324,431
Bonds and notes payable	<u>\$ 1,858,589</u>	<u>\$ 302,690</u>	<u>\$ 2,161,279</u>	<u>\$ 121,045</u>	<u>\$ 598,877</u>	<u>\$ 2,881,201</u>

* As of June 30

In 2012, DASNY issued \$208,625 of revenue bonds (Series 2012A) on behalf of the Obligated Group with interest rates ranging from 2.0% to 5.0%. The Series 2012A Bonds mature serially from July 2013 through July 2032, as well as in July 2037 and July 2042. The Series 2012A Bonds maturing in 2037 and 2042 are payable in annual sinking fund installments from July 2033 and July 2038, respectively, to maturity. The proceeds are to be disbursed as follows: (i) pay or reimburse costs incurred in connection with acquiring, constructing, equipping, repairing or otherwise providing for projects at various campus locations at Washington Square; (ii) refund the outstanding balances of the New York City Industrial Development Agency Civic Facility Revenue Bonds (New York University Project), Series 2001 and DASNY's New York University Insured Revenue Bonds, 2001 Series 2 (\$63,295 and \$93,010, respectively); and (iii) repay a line of credit that was used to pay, upon maturity, the outstanding balance of \$26,875 of DASNY's New York University Insured Revenue Bonds, Series 2003B.

In 2012, DASNY issued \$55,035 of revenue bonds (Series 2012B) on behalf of the Obligated Group with interest rates ranging from 4.0% to 5.0%. The Series 2012B Bonds mature serially from July 2027 through July 2032, as well as in July 2037 and July 2042. The Series 2012B Bonds maturing in 2037 and 2042 are payable in annual sinking fund installments from July 2033 and July 2038, respectively, to maturity. The proceeds are to be used to pay or to reimburse costs incurred in connection with acquiring, constructing and equipping the Obligated Group's portion of a building located at Washington Square.

In 2012, DASNY issued \$31,110 of taxable revenue bonds (Series 2012C) on behalf of the Obligated Group with interest rates ranging from 0.4% to 3.6%. The Series 2012C Bonds mature serially from July 2013 through July 2027. The proceeds are to be used to pay or to reimburse costs incurred in connection with acquiring, constructing and equipping the Obligated Group's portion of a building located at Washington Square.

In 2012, the Hospital Center issued Series 2012A taxable bonds totaling \$250,000. The Series 2012A bonds required annual interest payments through July 2042 at a fixed rate of 4.4%. Principal on this bond is payable in full in 2042. The proceeds of the Series 2012A bonds are to be used to pay the costs of various construction, renovation and equipment projects, repay certain outstanding lines of credit and for working capital and other eligible corporate purposes.

In 2011, DASNY issued \$130,930 of revenue bonds (Series 2011A) on behalf of the Hospitals Center. The Series 2011A bonds are payable at varying dates through July 2040 at fixed rates ranging from 2.0% to 6.0%. The proceeds of the Series 2011A bonds will be used to finance the renovation and equipping of the Emergency Department of the Hospitals Center, renovation and

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equipping of the new Musculoskeletal Center, various capital improvements, and the funding of a debt service reserve fund.

The principal amounts outstanding for bonds and notes payable consist of the following at August 31, 2012 and 2011:

	2012					Consolidated NYU
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	
DASNY						
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of \$11,597)	\$ 192,057	\$ -	\$ 192,057	\$ -	\$ -	\$ 192,057
Series 2000D bonds, with interest rates ranging from 1.50% to 6.80%, maturing serially through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2025 and July 2026	-	-	-	-	43,300	43,300
Series 2001A bonds, with an interest rate of 5.75%, maturing serially to maturity in July 2015 (including premiums of \$1,009 and \$80)	30,192	2,392	32,584	-	-	32,584
2001 Series 1 bonds, with interest rates ranging from 5.25% to 5.50%, maturing serially from July 2011 through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of \$3,627 and \$2,966)	67,741	55,423	123,164	-	-	123,164
Series 2004A bonds, with interest rates ranging from 3.50% to 5.00%, maturing serially from July 2014 through July 2024, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2034 (including premium of \$935)	55,720	-	55,720	-	-	55,720
Series 2006A bonds, with an interest rate of 4.80%, maturing serially from July 2013 through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2020 and July 2026 (including premium of \$1,892)	-	-	-	-	96,482	96,482
Series 2007A bonds, with an interest rate of 5.00%, maturing serially through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2022, July 2026 and July 2036 (including premium of \$3,553)	-	-	-	-	152,783	152,783
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2027, payable thereafter in annual sinking fund installments to maturities in July 2032 and July 2037 (including premium of \$3,208)	129,353	-	129,353	-	-	129,353
Series 2007B bonds, with interest rates ranging from 4.25% to 5.00%, payable in annual sinking fund installments from July 2009 and July 2025, respectively, to maturities in July 2024 and July 2037 (including discount of \$2,516)	-	-	-	-	85,084	85,084
Series 2008A bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially from July 2013 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of \$4,777)	285,027	-	285,027	-	-	285,027
Series 2008B bonds, with interest rates ranging from 3.13% to 5.25%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of \$3,542)	223,232	-	223,232	-	-	223,232

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	2012					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY, continued						
Series 2008C bonds, with interest rates ranging from 3.13% to 5.00%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2038 (including premium of \$890)	94,125	-	94,125	-	-	94,125
Series 2008D taxable bonds, with interest rates ranging from 5.23% to 5.33%, maturing serially to maturity in July 2013	2,495	-	2,495	-	-	2,495
Series 2009A bonds, with interest rates ranging from 3.10% to 5.25%, maturing serially from July 2015 through July 2029, payable thereafter in annual sinking fund installments to maturities in July 2034 and July 2039 (including net premiums of \$14,997 and \$1,420)	381,597	37,200	418,797	-	-	418,797
Series 2009B bonds, with an interest rate of 5.00%, payable in annual sinking fund installments from July 2030 and July 2034, respectively, to maturities in July 2034 and July 2039 (including premium of \$984)	-	65,244	65,244	-	-	65,244
Series 2011A bonds, with interest rates ranging from 2.00% to 6.00%, maturing serially from July 2011 through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including discount of \$1,852)	-	-	-	-	126,400	126,400
Series 2012A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially from July 2013 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including net premiums of \$18,517 and \$5,291)	178,893	53,540	232,433	-	-	232,433
Series 2012B bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially from July 2027 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including premium of \$6,129)	61,164	-	61,164	-	-	61,164
Series 2012C taxable bonds, with interest rates ranging from 0.40% to 3.62%, maturing serially from July 2013 through July 2027	31,110	-	31,110	-	-	31,110
Subtotal of DASNY bonds	<u>1,732,706</u>	<u>213,799</u>	<u>1,946,505</u>	<u>-</u>	<u>504,049</u>	<u>2,450,554</u>
NYCIDA						
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 to maturity in November 2037 (including premium of \$1,391)	-	-	-	103,141	-	103,141
Subtotal of NYCIDA	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,141</u>	<u>-</u>	<u>103,141</u>
NYU						
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	16,568	86,432	103,000	-	-	103,000
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	25,300	-	25,300	-	-	25,300
Series 2012 taxable bonds, with an interest rate of 4.40%, maturing in July 2042 (including discount of \$1,036)	-	-	-	-	248,964	248,964
Subtotal of NYU bonds	<u>41,868</u>	<u>86,432</u>	<u>128,300</u>	<u>-</u>	<u>248,964</u>	<u>377,264</u>
Other bonds and notes payable (Note 11)						
Various with interest rates ranging from 3.00% to 5.25%, due through November 2017	10,596	-	10,596	-	20,703	31,299
Promissory note	60,170	-	60,170	-	-	60,170
Lines of credit	-	-	-	10,000	90,000	100,000
Capital leases	17,147	6,638	23,785	6,002	39,557	69,344
Subtotal of other bonds and notes payable	<u>87,913</u>	<u>6,638</u>	<u>94,551</u>	<u>16,002</u>	<u>150,260</u>	<u>260,813</u>
Total amounts outstanding	<u>\$ 1,862,487</u>	<u>\$ 306,869</u>	<u>\$ 2,169,356</u>	<u>\$ 119,143</u>	<u>\$ 903,273</u>	<u>\$ 3,191,772</u>

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	2011					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY						
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of \$12,370)	\$ 200,260	\$ -	\$ 200,260	\$ -	\$ -	\$ 200,260
Series 2000D bonds, with interest rates ranging from 6.00% to 6.75%, maturing serially through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2025 and July 2026	-	-	-	-	45,100	45,100
Series 2001A bonds, with interest rates ranging from 5.50% to 5.75%, maturing serially to maturity in July 2015 (including premiums of \$1,345 and \$107)	40,484	3,207	43,691	-	-	43,691
2001 Series 1 bonds, with interest rates ranging from 4.38% to 5.50%, maturing serially from July 2011 through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of \$3,757 and \$3,073)	68,833	56,317	125,150	-	-	125,150
2001 Series 2 bonds, with interest rates ranging from 4.00% to 5.50%, maturing serially from July 2011 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2026, July 2031 and July 2041 (including discount of \$140)	39,404	53,466	92,870	-	-	92,870
Series 2004A bonds, with interest rates ranging from 3.50% to 5.00%, maturing serially from July 2014 through July 2024, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2034 (including premium of \$980)	55,765	-	55,765	-	-	55,765
Series 2006A bonds, with an interest rate of 5.00%, maturing serially from July 2013 through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2020 and July 2026 (including premium of \$2,028)	-	-	-	-	96,618	96,618
Series 2006B bonds, with an interest rate of 6.09%, privately placed with a commercial bank, maturing in July 2012	-	-	-	-	5,750	5,750
Series 2007A bonds, with an interest rate of 5.00%, maturing serially through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2022, July 2026 and July 2036 (including premium of \$3,702)	-	-	-	-	156,462	156,462
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2027, payable thereafter in annual sinking fund installments to maturities in July 2032 and July 2037 (including premium of \$3,333)	129,478	-	129,478	-	-	129,478
Series 2007B bonds, with interest rates ranging from 5.25% to 5.63%, payable in annual sinking fund installments from July 2009 and July 2025, respectively, to maturities in July 2024 and July 2037 (including discount of \$2,673)	-	-	-	-	86,697	86,697
Series 2008A bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially from July 2013 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of \$4,910)	285,160	-	285,160	-	-	285,160
Series 2008B bonds, with interest rates ranging from 3.13% to 5.25%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of \$3,643)	225,743	-	225,743	-	-	225,743

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	2011					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY, continued						
Series 2008C bonds, with interest rates ranging from 3.13% to 5.00%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2038 (including premium of \$925)	96,075	-	96,075	-	-	96,075
Series 2008D taxable bonds, with interest rates ranging from 4.98% to 5.33%, maturing serially to maturity in July 2013	5,360	-	5,360	-	-	5,360
Series 2009A bonds, with interest rates ranging from 3.10% to 5.25%, maturing serially from July 2015 through July 2029, payable thereafter in annual sinking fund installments to maturities in July 2034 and July 2039 (including net premiums of \$15,369 and \$1,472)	381,968	37,252	419,220	-	-	419,220
Series 2009B bonds, with an interest rate of 5.00%, payable in annual sinking fund installments from July 2030 and July 2034, respectively, to maturities in July 2034 and July 2039 (including premium of \$1,020)	-	65,281	65,281	-	-	65,281
Series 2011A bonds, with interest rates ranging from 2.00% to 6.00%, maturing serially from July 2011 through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including discount of \$1,922)	-	-	-	-	126,583	126,583
Subtotal of DASNY bonds	1,528,530	215,523	1,744,053	-	517,210	2,261,263
NYCIDA						
NYCIDA Series 2001 bonds, with interest rates ranging from 4.13% to 5.38%, maturing serially from July 2011 through July 2018, payable thereafter in annual sinking fund installments to maturities in July 2021, July 2031 and July 2041 (including discount of \$1,234)	62,061	-	62,061	-	-	62,061
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 to maturity in November 2037 (including premium of \$1,446)	-	-	-	105,146	-	105,146
Subtotal of NYCIDA	62,061	-	62,061	105,146	-	167,207
NYU						
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	16,568	86,432	103,000	-	-	103,000
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	25,300	-	25,300	-	-	25,300
Subtotal of NYU bonds	41,868	86,432	128,300	-	-	128,300
Other bonds and notes payable (Note 11)						
Various with interest rates ranging from 0.99% to 5.25%, due through November 2017	10,743	-	10,743	-	51,667	62,410
Promissory note	62,623	-	62,623	-	-	62,623
Lines of credit	136,375	-	136,375	10,000	30,000	176,375
Capital leases	16,389	735	17,124	5,899	-	23,023
Subtotal of other bonds and notes payable	226,130	735	226,865	15,899	81,667	324,431
Total amounts outstanding	\$ 1,858,589	\$ 302,690	\$ 2,161,279	\$ 121,045	\$ 598,877	\$ 2,881,201

* As of June 30

The fair value of NYU's bonds and notes payable is \$3,442,086 and \$2,939,995 at August 31, 2012 and 2011, 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.

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Interest expense on long-term debt totaled \$120,126 and \$125,823 for the years ended August 31, 2012 and 2011, respectively. This excludes \$17,169 and \$7,995 of capitalized interest (net of income earned on deposits with bond trustees) for the years ended August 31, 2012 and 2011, respectively, which is included in land, buildings and equipment, net.

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

Other agreements include covenants requiring that the Hospitals Center and Polytechnic maintain certain financial ratios.

At August 31, 2012 and 2011, 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 thereafter to maturity, are as follows:

Year Ending August 31,	
2013	\$ 87,924
2014	170,422
2015	100,152
2016	77,971
2017	80,855
Thereafter	<u>2,593,049</u>
Total principal payments	3,110,373
Unamortized premiums and discounts, net	<u>81,399</u>
	<u>\$ 3,191,772</u>

11. Obligations With Financial Institutions

At August 31, 2012 and 2011, the Obligated Group's contractually committed bank credit agreements totaled \$500,000. A \$300,000 agreement extends through August 2013. A \$200,000 agreement extends through June 2014. The interest is accrued for both lines of credit at a rate based on LIBOR. The combined amounts outstanding under these agreements are \$0 and \$136,375 as of August 31, 2012 and 2011, respectively.

The Hospitals Center has three unsecured lines of credit totaling \$400,000 (Commitment 1, 2 and 3). The interest is accrued for all lines of credit at a rate based on LIBOR. Commitment 1 was amended in 2012 to increase the total capacity to \$200,000. Commitment 2, with a total capacity of \$100,000, was amended in 2012 to extend the maturity date to March 2013. Commitment 3, obtained in July 2012, provides a \$100,000 line of credit capacity and expires in 2015. As of August 31, 2012, the Hospitals Center has drawn \$90,000 from these lines of credit (\$45,000 each from Commitment 1 and 3).

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In August 2010, NYU entered into a \$65,000 loan agreement with a bank on behalf of the Obligated Group. The loan bears interest at 3.2% with principal installments due annually in July and final maturity in July 2015. The amounts outstanding under this promissory note are \$60,170, and \$62,623 as of August 31, 2012 and 2011, respectively.

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, provides financing to the Hospitals Center for various capital equipment. The amounts outstanding on this lease are \$20,703 and \$29,867, as of August 31, 2012 and 2011, respectively.

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 has been subsequently renewed on several occasions with the latest amendment extending for a period of 3 years and maturing on January 1, 2014. Interest was reset at an interest rate based on a 30-day LIBOR. The Hospitals Center's obligation under Series 2000D is \$43,300 and \$45,100 as of August 31, 2012 and 2011, respectively.

During 2003, the Hospitals Center entered into an accounts receivable financing agreement. Under the terms of the agreement, the Hospitals Center received \$17,000 in cash and recorded a corresponding amount of long-term debt which is 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. The total amount outstanding for both agreements is \$0 and \$21,800 at August 31, 2012 and 2011, respectively. Interest is payable monthly based on 30-day LIBOR. The loan agreements expired in June 2012.

Polytechnic has a line of credit with a commercial bank. The line of credit is collateralized by several of Polytechnic's investments with a market value of \$11,799 and \$16,129 at August 31, 2012 and 2011, respectively. The amount outstanding is \$10,000 as of June 30, 2012 and 2011. The line of credit borrowing is payable on demand.

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. 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 significantly greater or lesser amount.

CCC550 has investment assets of \$262,628 and \$226,951 at August 31, 2012 and 2011, respectively, to fund related obligations. CCC550 has total obligation for insurance exposure of \$188,962 and \$168,530 as of August 31, 2012 and 2011, respectively. 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.

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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 are \$115,255 and \$104,411 in 2012 and 2011, respectively.

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 following tables provide information with respect to the defined benefit plans for the years ended August 31:

Plans' Funded Status:

	2012	2011
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 679,528	\$ 648,611
Service cost	14,407	15,019
Interest cost	36,267	33,457
Actuarial loss	170,333	2,874
Benefits paid	(25,958)	(20,055)
Plan amendment	-	21
Administrative expense	(396)	(399)
Benefit obligation, end of year	874,181	679,528
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	525,200	453,936
Actual return on plan assets	47,296	43,005
Employer contributions	31,151	48,713
Benefits paid	(25,958)	(20,055)
Administrative expense	(396)	(399)
Fair value of plan assets, end of year	577,293	525,200
Accrued benefit obligation	\$ 296,888	\$ 154,328
Benefit obligation weighted average assumptions as of August 31		
Discount rate	3.75% - 4.00%	5.25% - 5.50%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%

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Net Periodic Benefit Cost:

	2012	2011
Components of net periodic benefit cost		
Service cost	\$ 14,407	\$ 15,019
Interest cost	36,267	33,457
Expected return on plan assets	(42,072)	(39,373)
Amortization of prior service cost	108	136
Amortization of actuarial loss	17,297	17,259
Net periodic benefit cost	<u>\$ 26,007</u>	<u>\$ 26,498</u>
Other changes recognized in unrestricted net assets		
Prior service cost arising during period	\$ -	\$ 21
Actuarial net loss (gain) arising during period	165,109	(755)
Amortization of prior service cost	(108)	(136)
Amortization of actuarial loss	(17,297)	(17,259)
Total recognized in nonoperating activities	<u>\$ 147,704</u>	<u>\$ (18,129)</u>
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net asset		
Prior service cost	\$ 17	\$ 125
Accumulated loss	403,468	255,656
Amounts in unrestricted net assets, end of year	<u>\$ 403,485</u>	<u>\$ 255,781</u>
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2013		
Actuarial loss	\$ 33,989	
Prior service cost	2	
Net periodic benefit cost weighted average assumptions		
Discount rate	4.00% - 5.25%	5.25%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%
Expected long-term rate of return on plan assets	6.00% - 8.00%	6.00% - 8.00%

The accumulated benefit obligation for the pension plans is \$810,001 and \$630,016 at August 31, 2012 and 2011, respectively.

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Plan Assets:

The following table presents the fair value of the defined benefit plan investments (according to the hierarchy defined in Note 4) at August 31:

	2012			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 7,017	\$ -	\$ -	\$ 7,017
Fixed income	-	209,551	-	209,551
Equity	-	313,152	-	313,152
Real estate	-	35,625	-	35,625
Other	-	11,948	-	11,948
Total	\$ 7,017	\$ 570,276	\$ -	\$ 577,293

	2011			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 5,895	\$ -	\$ -	\$ 5,895
Fixed income	-	193,451	-	193,451
Equity	-	274,233	-	274,233
Real estate	-	28,802	-	28,802
Other	-	22,819	-	22,819
Total	\$ 5,895	\$ 519,305	\$ -	\$ 525,200

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. The 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, weighing 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 6%-8% is a reasonable range of long-term rates of return on plan assets for 2012 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

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The plans' asset allocations as of August 31, 2012 and 2011, by asset category are as follows:

	2012	2011
Equity	54 %	53 %
Fixed income	37 %	37 %
Real estate	6 %	5 %
Other	2 %	4 %
Cash equivalents	1 %	1 %

Contributions:

Annual contributions are determined by NYU based upon calculations prepared by the plans' actuaries. Expected contributions for the 2013 fiscal year are \$13,400.

Benefit Payments:

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

Year Ending August 31

2013	\$	29,523
2014		31,400
2015		34,031
2016		36,884
2017		39,618
Thereafter		231,372

Multi-employer Benefit Plans:

NYU participates in multi-employer defined benefit pension plans. NYU makes cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers and (3) if NYU chooses to stop participating in some of its multi-employer plans, NYU may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. NYU has contributed cash and recorded expenses for the multi-employer plans noted in the table below. The measurement dates for the following plans are as of August 31 and December 31 as applicable.

	2012	2011
Pension Fund		
United Wire, Metal & Machine Pension Fund	\$ 1,794	\$ 2,834
Building Service 32 BJ Pension Fund	174	179
1199 SEIU Health Care Employees Pension Fund	<u>18,314</u>	<u>14,062</u>
	<u>\$ 20,282</u>	<u>\$ 17,075</u>

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NYU's contributions to the Building Service 32 BJ Pension Fund and the 1199 SEIU Health Care Employees Pension Fund represent less than 5% of total plan contributions.

The following table includes additional disclosure information related to the Pension Funds:

EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective- Bargaining Agreement
	2012	2011			
13-6596940/001	Red	Green	Pending	No	6/30/2013
13-1879376/001	Red	Red	Yes	No	2/29/2012-4/20/2014
13-3604862/001	Green	Green	N/A	No	4/30/2015

The Pension Protection Act zone status indicates the plan's funded status of either at least 80% funded (green) or less than 80% funded (red). A zone status of red requires the plan sponsor to implement a Funding Improvement Plan (FIP) or Rehabilitation Plan (RP).

14. Other Postretirement Benefits

NYU has three health and welfare plans that provide 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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The following tables provide information with respect to the other postretirement plans for the years ended August 31:

Plans' Funded Status:

	2012	2011
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 463,699	\$ 449,978
Service cost	17,378	22,810
Interest cost	24,087	23,134
Plan changes	-	(30,037)
Actuarial loss	111,938	10,601
Participants' contributions	4,105	3,722
Retiree drug subsidy receipts	1,591	1,221
Benefits paid	<u>(18,352)</u>	<u>(17,730)</u>
Benefit obligation, end of year	<u>604,446</u>	<u>463,699</u>
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	46,751	37,708
Actual return on plan assets	1,799	43
Employer contributions	21,652	21,787
Plan participants' contributions	4,105	3,722
Retiree drug subsidy receipts	1,591	1,221
Benefits paid	<u>(18,352)</u>	<u>(17,730)</u>
Fair value of plan assets, end of year	<u>57,546</u>	<u>46,751</u>
Accrued postretirement benefit obligation	<u>\$ 546,900</u>	<u>\$ 416,948</u>
Weighted average assumptions to determine benefit obligations and net cost as of August 31		
Discount rate	3.75% - 4.25%	5.25% - 5.50%
Expected long-term rate of return	6.00% - 8.50%	8.00% - 8.50%
Ultimate retiree health-care cost trend	4.50% - 5.00%	4.50% - 5.00%
Year ultimate trend rate is achieved	2019 - 2027	2019 - 2027

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Net Periodic Benefit Cost:

	2012	2011
Components of net periodic benefit cost		
Service cost	\$ 17,378	\$ 22,810
Interest cost	24,087	23,134
Expected return on plan assets	(3,200)	(3,016)
Amortization of transition obligation	22	22
Amortization of plan service cost	(22,704)	(8,096)
Amortization of actuarial loss	7,291	6,111
Net periodic benefit cost	<u>\$ 22,874</u>	<u>\$ 40,965</u>
Other changes recognized in unrestricted net assets		
Amortization of actuarial net loss	\$ (7,291)	\$ (6,111)
Actuarial net loss arising during period	113,342	13,574
Amortization of prior service cost	22,704	8,096
Prior service cost arising during period	-	(30,037)
Amortization of transition obligation	(22)	(22)
Total recognized in nonoperating activities	<u>\$ 128,733</u>	<u>\$ (14,500)</u>
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets		
Transition assets	\$ 21	\$ 43
Prior service credit	(38,767)	(61,470)
Accumulated loss	249,259	143,207
Amounts in unrestricted net assets, end of year	<u>\$ 210,513</u>	<u>\$ 81,780</u>
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2013		
Actuarial loss	\$ (16,251)	
Prior service credit	9,237	
Transition obligation	21	

In 2012 and 2011, the effect of a 1% change in the health care cost trend rate is as follows:

	<u>2012</u>		<u>2011</u>	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 7,810	\$ (6,256)	\$ 9,947	\$ (7,766)
Effect on postretirement benefit obligation	104,185	(84,279)	74,635	(60,878)

Contributions:

Expected contributions for the 2013 fiscal year are \$9,000.

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Plan Assets:

The following table presents the fair value of the postretirement plan investments (according to the hierarchy defined in Note 4) at August 31:

	2012			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 36,050	\$ -	\$ -	\$ 36,050
Fixed income	-	21,496	-	21,496
Total	<u>\$ 36,050</u>	<u>\$ 21,496</u>	<u>\$ -</u>	<u>\$ 57,546</u>

	2011			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Cash equivalents	\$ 46,335	\$ -	\$ -	\$ 46,335
Fixed income	-	416	-	416
Total	<u>\$ 46,335</u>	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ 46,751</u>

The plans' 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 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, taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes that 6.0-8.5% is a reasonable range of long-term rates of return on plan assets for 2012 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

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 in:

Year Ending August 31,	
2013	\$ 16,357
2014	17,639
2015	19,307
2016	20,923
2017	22,507
Thereafter	137,101

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15. Grants and Contracts

Grant and contract revenues represent 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 grant and contract revenues, are recovered at rates established in advance by NYU through negotiations with the federal government and other private sponsors and amount to \$118,541 and \$113,996 for the years ended August 31, 2012 and 2011, respectively.

16. Hospital Affiliations

The School of Medicine has three affiliation agreements with the New York City Health and Hospitals Corporation (HHC) to provide general care and mental health services. The first agreement is with Woodhull Medical & Mental Health Center and Cumberland Diagnostic & Treatment Center which is effective for July 1, 2011 through June 30, 2014. The second agreement is with Bellevue Hospital Center and Gouverneur Diagnostic & Treatment Center which is effective for July 1, 2011 through June 30, 2014. The third agreement was entered into in fiscal year 2012 with Coler Hospital and Nursing Facility and the Goldwater Hospital and Nursing Facility, and is effective for July 1, 2012 through June 30, 2014, however, the final documents have not been signed as of the date of this report.

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, 2012 and 2011, are presented below:

	2012			
	Operation and Maintenance of Plant	Interest on Indebtedness	Depreciation and Amortization	Total
Instruction and other academic programs	\$ 60,598	\$ 34,198	\$ 76,217	\$ 171,013
Research and other sponsored programs	44,764	7,760	36,269	88,793
Patient care	52,036	18,377	83,663	154,076
Libraries	7,174	1,332	8,421	16,927
Student services	11,995	4,188	15,148	31,331
Institutional services	104,565	12,564	41,021	158,150
Auxiliary enterprises	75,907	41,707	78,532	196,146
Total	<u>\$ 357,039</u>	<u>\$ 120,126</u>	<u>\$ 339,271</u>	<u>\$ 816,436</u>

New York University
Notes to Consolidated Financial Statements
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(in thousands of dollars)

	2011			Total
	Operation and Maintenance of Plant	Interest on Indebtedness	Depreciation and Amortization	
Instruction and other academic programs	\$ 55,244	\$ 33,988	\$ 63,363	\$ 152,595
Research and other sponsored programs	40,526	10,061	25,905	76,492
Patient care	57,818	22,013	67,912	147,743
Libraries	7,592	1,465	8,087	17,144
Student services	13,838	4,440	16,196	34,474
Institutional services	107,734	12,698	35,619	156,051
Auxiliary enterprises	71,958	41,158	76,460	189,576
Total	<u>\$ 354,710</u>	<u>\$ 125,823</u>	<u>\$ 293,542</u>	<u>\$ 774,075</u>

18. Components of Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31, 2012 and 2011:

	2012	2011
Contributions and earnings for operating purposes	\$ 626,722	\$ 527,817
Contributions for buildings and equipment	131,463	210,438
Annuity trust agreements	21,377	20,859
Scholarships and fellowships	70,816	77,637
Total	<u>\$ 850,378</u>	<u>\$ 836,751</u>

Permanently restricted net assets at August 31, 2012 and 2011 are retained in perpetuity to support the following activities:

	2012	2011
Program support	\$ 505,523	\$ 486,078
Faculty and staff salaries	590,570	546,725
Scholarships and fellowships	351,016	319,070
Library books	12,223	11,601
Research and sponsored programs	39,809	35,727
Buildings and equipment	2,283	2,082
Student loans	2,155	1,451
Total	<u>\$ 1,503,579</u>	<u>\$ 1,402,734</u>

New York University
Notes to Consolidated Financial Statements
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(in thousands of dollars)

NYU's investment pools include individual endowed funds established for a variety of purposes. Pooled assets include 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 are classified and reported based on the existence or absence of donor-imposed restrictions.

NYU classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment required by the applicable donor gift instrument. Accumulated unspent earnings from the permanently restricted endowment are classified as temporarily restricted net assets. Board-designated endowments, as well as any accumulated losses on any individual permanently restricted endowment (underwater endowment), are classified as unrestricted net assets.

NYU defines the appropriation of endowment net assets for expenditure as the authorization of its investment spending rate as approved annually by the Board of Trustees. In making a determination to appropriate or accumulate, NYU adheres to the standard of prudence prescribed by New York Prudent Management of Institutional Funds Act (NYPMIFA) and considers the following factors: the duration and preservation of the endowment fund; the purposes of NYU and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of NYU; where appropriate and circumstances would otherwise warrant, alternatives to expenditures of the endowment fund giving due consideration to the effect that such alternatives may have on NYU; and the investment policy of NYU.

NYU has adopted investment and spending policies for endowment assets that support the objective of providing a sustainable and increasing level of endowment income distribution to support NYU's activities while preserving the real purchasing power of the endowment. NYU's primary investment objective is to maximize total return within reasonable and prudent levels of risk while ensuring preservation of capital. To satisfy its long-term rate-of-return objectives, NYU relies on a total return strategy, the objective of which is to achieve a return consisting of a combination of current income and capital appreciation, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The endowment portfolio is diversified among various asset classes and utilizes strategies to help reduce risk.

NYU's investment policy states that spending will be determined annually by the Board of Trustees. For the years ended August 31, 2012 and 2011, the spending rate was determined to be approximately 5% of the preceding twelve-quarter moving average of the market value of the endowment. However, when donors have expressly stipulated the payout percentage of earnings on endowments that differs from NYU policies, the donors' intent prevails.

New York University
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(in thousands of dollars)

The following table represents the net asset classes of NYU's endowment funds as of August 31:

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment	\$ -	\$ 285,174	\$ 1,440,858	\$ 1,726,032
Board-designated endowment	1,217,585	-	-	1,217,585
Underwater endowment	(9,112)	-	-	(9,112)
Total	<u>\$ 1,208,473</u>	<u>\$ 285,174</u>	<u>\$ 1,440,858</u>	<u>\$ 2,934,505</u>

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment	\$ -	\$ 313,074	\$ 1,357,083	\$ 1,670,157
Board-designated endowment	1,199,589	-	-	1,199,589
Underwater endowment	(5,314)	-	-	(5,314)
Total	<u>\$ 1,194,275</u>	<u>\$ 313,074</u>	<u>\$ 1,357,083</u>	<u>\$ 2,864,432</u>

The following table provides the changes in the net asset classes of NYU's endowment funds at August 31:

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Investment pool net assets, beginning of year	\$ 1,194,275	\$ 313,074	\$ 1,357,083	\$ 2,864,432
Investment return	30,644	40,375	-	71,019
Contributions	94,387	-	86,851	181,238
Endowment distribution	(50,373)	(68,275)	-	(118,648)
Liquidations	(60,754)	-	-	(60,754)
Reclassification of net assets	294	-	(3,076)	(2,782)
Investment pool net assets, end of year	<u>\$ 1,208,473</u>	<u>\$ 285,174</u>	<u>\$ 1,440,858</u>	<u>\$ 2,934,505</u>

New York University
Notes to Consolidated Financial Statements
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(in thousands of dollars)

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Investment pool net assets, beginning of year	\$ 1,262,983	\$ -	\$ 1,267,422	\$ 2,530,405
Reclassification due to accounting change	(198,427)	198,427	-	-
Investment return	147,273	177,449	-	324,722
Contributions	76,562	-	68,531	145,093
Endowment distribution	(47,023)	(62,802)	-	(109,825)
Liquidations	(25,963)	-	-	(25,963)
Reclassification of net assets	(21,130)	-	21,130	-
Investment pool net assets, end of year	<u>\$ 1,194,275</u>	<u>\$ 313,074</u>	<u>\$ 1,357,083</u>	<u>\$ 2,864,432</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gift donated to the permanent endowment. In accordance with accounting principles generally accepted in the United States, deficits of this nature are reported as a reduction of unrestricted net assets. These deficits resulted from unfavorable market fluctuations that eroded accumulated gains for the permanently restricted endowments as well as the continued appropriation of certain programs which was deemed prudent by the University's Board of Trustees. Current and future gains will be classified as increases in unrestricted net assets until the shortfalls previously charged to unrestricted net assets have been eliminated and the individual endowment funds are returned to their required levels as stipulated by donors.

As of August 31, 2012 and 2011, there were a total of 272 and 191 individual endowment funds, respectively, within the permanently restricted net asset category with a market value less than their historical corpus value. The aggregate deficit of underwater endowment funds at August 31, 2012 and 2011 totaled approximately \$9,112 and \$5,314, respectively.

In 2011, NYU reclassified \$198,427 relating to accumulated earnings on the true endowment funds and unspent distributions.

In 2009, Polytechnic filed a petition to apply for a 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 restricted to unrestricted net assets beginning in fiscal year 2009. Polytechnic is required to return the total amount that is reclassified to unrestricted back to 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 2011, Polytechnic reclassified \$3,813 of permanently restricted net assets to unrestricted net assets.

New York University

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

(in thousands of dollars)

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,	
2013	\$ 156,741
2014	130,983
2015	124,206
2016	99,393
2017	93,494
Thereafter	731,384

Rent expense is \$148,485 and \$121,253 for the years ended August 31, 2012 and 2011, 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 \$19,375 and \$13,920 at August 31, 2012 and 2011, 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.

20. Subsequent Events

NYU has performed an evaluation of subsequent events through December 20, 2012, which is the issuance date of the consolidated financial statements.

In October 2012, the Hospitals Center drew \$50,000 under an existing loan agreement with a bank to fund capital projects.

On October 11, 2012, the Boards of Trustees for NYU and Polytechnic announced their agreement to move forward with the remaining set of steps necessary for Polytechnic to formally become the School of Engineering of NYU. The processes of obtaining the necessary approvals and endorsements, conducting due diligence and seeking applicable regulatory approvals are underway and, if successful, are expected to be completed in no event later than the start of the 2014-2015 academic year.

On October 29, 2012, Superstorm Sandy struck New York City causing widespread damage to properties throughout the region, including lower Manhattan. The Medical Center experienced extensive property damage to buildings, mechanical systems, equipment and materials. All of the

New York University

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

(in thousands of dollars)

Medical Center's operations were impacted, with the main campus inpatient and outpatient facilities and the NYUSoM buildings on the main campus temporarily closed. The Hospitals Center has been able to restore operations at the majority of its outpatient and ambulatory care facilities; however, the Hospitals Center has not yet resumed hospital operations at the main campus, including Tisch Hospital, and as a result, the Hospitals Center continues to experience business interruption. Approximately 60% of the Hospitals Center's net patient service revenue for the year ended August 31, 2012 was generated by services provided at the main campus. Patient services provided on the main campus prior to the storm have been partially redeployed to other service locations of the Hospitals Center. Based on the Hospitals Center's current plans, a phased re-opening of a number of procedural and surgical services located at the main campus will begin in mid-December 2012, including limited inpatient services at Tisch Hospital beginning before the end of the year. The Hospitals Center expects to have the majority of the services provided on the main campus prior to the storm up and running by the end of January 2013. The NYUSoM has reopened the main research buildings on the main campus and has been able to redeploy some of its research, teaching and clinical faculty and staff to other owned off campus space and rental space, as well as to space in other research and healthcare facilities in the area on a temporary basis.

In addition to the financial implications of the business interruption referred to above, the Medical Center will incur significant costs to replace, repair and remediate damage to its affected property and facilities. The Medical Center is still in the midst of quantifying the extent of the damage as well as determining what the costs of remediation will be. Therefore, at this time, the Medical Center is not able to make an estimate of the range of losses from the resulting business interruption, the impairment of the carrying amount of damaged property and equipment and the cost to replace such property and equipment, however, the amount of the impairment could be material.

The Medical Center has business interruption, property casualty and other insurance coverage with respect to the incurred losses in effect at the time of the losses. Discussions with the insurance carriers are ongoing as is the investigation into and measurement of the losses. Management expects to receive substantial recoveries; however, the amount of recovery cannot be determined at this time. In addition, management has submitted three applications for assistance to the Federal Emergency Management Association (FEMA) for an initial amount of approximately \$200,000 of which \$114,000 has been obligated by FEMA on the first application, with the two remaining applications pending review. Management will apply for additional FEMA funding for reconstruction and mitigation as rebuilding plans and costs become known. Management expects FEMA to provide funding of at least 75% of submitted expenses not covered by insurance. The ultimate losses and any associated recoveries cannot be determined at this time and could be material.

The University will be filing with FEMA Superstorm Sandy disaster assistance reimbursement claims for its eligible expenditures (principally for staff overtime and material loss) in addition to the Medical Center claims.

The Obligated Group has drawn down \$52,000 as of December 5, 2012, under one of its lines of credit to fund capital projects.

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, 2012

(in thousands of dollars)

	2012			Consolidated NYU
	University	NYU Langone Medical Center	Eliminations	
Assets				
Cash and cash equivalents	\$ 749,899	\$ 667,748	\$ -	\$ 1,417,647
Short-term investments (Note 4)	32,667	901	-	33,568
Accounts and loans receivable, net (Note 5)	428,857	91,569	(136,325)	384,101
Patient accounts receivable, net	3,990	300,429	-	304,419
Contributions receivable, net (Note 6)	295,799	147,065	-	442,864
Other assets (Note 7)	127,095	120,347	-	247,442
Deposits with trustees (Note 8)	118,261	147,120	-	265,381
Collateral for securities loaned (Note 4)	6,023	-	-	6,023
Long-term investments (Note 4)	2,154,282	805,473	-	2,959,755
Assets held by insurance captive (CCC550) (Note 12)	-	262,628	-	262,628
Land, buildings and equipment, net (Note 9)	3,050,031	1,841,908	-	4,891,939
Total assets	<u>\$ 6,966,904</u>	<u>\$ 4,385,188</u>	<u>\$ (136,325)</u>	<u>\$ 11,215,767</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 226,037	\$ 866,582	\$ (136,325)	\$ 956,294
Deferred revenue	788,119	37,406	-	825,525
Outstanding losses and loss adjustment expenses (Note 12)	-	188,962	-	188,962
Security loan agreements payable (Note 4)	6,023	-	-	6,023
Bonds and notes payable (Notes 10 and 11)	1,981,630	1,210,142	-	3,191,772
Federal grants refundable	74,789	876	-	75,665
Accrued benefit obligation (Note 13)	81,183	215,705	-	296,888
Accrued postretirement obligation (Note 14)	359,353	187,547	-	546,900
Asset retirement obligation	116,219	22,509	-	138,728
Total liabilities	<u>3,633,353</u>	<u>2,729,729</u>	<u>(136,325)</u>	<u>6,226,757</u>
Net assets				
Unrestricted	1,691,011	944,042	-	2,635,053
Temporarily restricted (Note 18)	455,500	394,878	-	850,378
Permanently restricted (Note 18)	1,187,040	316,539	-	1,503,579
Total net assets	<u>3,333,551</u>	<u>1,655,459</u>	<u>-</u>	<u>4,989,010</u>
Total liabilities and net assets	<u>\$ 6,966,904</u>	<u>\$ 4,385,188</u>	<u>\$ (136,325)</u>	<u>\$ 11,215,767</u>

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2011

(in thousands of dollars)

	2011			Consolidated NYU
	University	NYU Langone Medical Center	Eliminations	
Assets				
Cash and cash equivalents	\$ 761,488	\$ 418,831	\$ -	\$ 1,180,319
Short-term investments (Note 4)	48,474	-	-	48,474
Accounts and loans receivable, net (Note 5)	360,968	106,451	(117,778)	349,641
Patient accounts receivable, net	4,106	279,274	-	283,380
Contributions receivable, net (Note 6)	232,979	184,798	-	417,777
Other assets (Note 7)	117,249	117,193	-	234,442
Deposits with trustees (Note 8)	119,442	196,012	-	315,454
Collateral for securities loaned (Note 4)	4,965	-	-	4,965
Long-term investments (Note 4)	2,056,410	832,923	-	2,889,333
Assets held by insurance captive (CCC550) (Note 12)	-	226,951	-	226,951
Land, buildings and equipment, net (Note 9)	3,035,770	1,409,548	-	4,445,318
Total assets	<u>\$ 6,741,851</u>	<u>\$ 3,771,981</u>	<u>\$ (117,778)</u>	<u>\$ 10,396,054</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 255,678	\$ 783,798	\$ (117,778)	\$ 921,698
Deferred revenue	764,174	51,823	-	815,997
Outstanding losses and loss adjustment expenses (Note 12)	-	168,530	-	168,530
Security loan agreements payable (Note 4)	4,965	-	-	4,965
Bonds and notes payable (Notes 10 and 11)	1,979,634	901,567	-	2,881,201
Federal grants refundable	73,218	1,650	-	74,868
Accrued benefit obligation (Note 13)	42,665	111,663	-	154,328
Accrued postretirement obligation (Note 14)	274,791	142,157	-	416,948
Asset retirement obligation	111,019	26,519	-	137,538
Total liabilities	<u>3,506,144</u>	<u>2,187,707</u>	<u>(117,778)</u>	<u>5,576,073</u>
Net assets				
Unrestricted	1,684,697	895,799	-	2,580,496
Temporarily restricted (Note 18)	439,273	397,478	-	836,751
Permanently restricted (Note 18)	1,111,737	290,997	-	1,402,734
Total net assets	<u>3,235,707</u>	<u>1,584,274</u>	<u>-</u>	<u>4,819,981</u>
Total liabilities and net assets	<u>\$ 6,741,851</u>	<u>\$ 3,771,981</u>	<u>\$ (117,778)</u>	<u>\$ 10,396,054</u>

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2012

(in thousands of dollars)

	2012								
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets									
Cash and cash equivalents	\$ 748,734	\$ 130,751	\$ -	\$ 879,485	\$ 1,165	\$ 536,997	\$ -	\$ -	\$ 1,417,647
Short-term investments (Note 4)	32,667	901	-	33,568	-	-	-	-	33,568
Accounts and loans receivable, net (Note 5)	414,452	54,299	(136,325)	332,426	14,405	18,788	69,336	(50,854)	384,101
Patient accounts receivable, net	3,990	55,393	-	59,383	-	245,036	-	-	304,419
Contributions receivable, net (Note 6)	291,705	55,028	-	346,733	4,094	92,037	-	-	442,864
Other assets (Note 7)	117,026	32,850	-	149,876	10,069	185,227	1,617	(99,347)	247,442
Deposits with trustees (Note 8)	110,984	2,800	-	113,784	7,277	144,320	-	-	265,381
Collateral for securities loaned (Note 4)	6,023	-	-	6,023	-	-	-	-	6,023
Long-term investments (Note 4)	2,045,164	780,485	-	2,825,649	109,118	24,988	-	-	2,959,755
Assets held by insurance captive (CCC550) (Note 12)	-	-	-	-	-	-	262,628	-	262,628
Land, buildings, and equipment, net (Note 9)	2,929,210	676,649	-	3,605,859	120,821	1,165,259	-	-	4,891,939
Total assets	\$ 6,699,955	\$ 1,789,156	\$ (136,325)	\$ 8,352,786	\$ 266,949	\$ 2,412,652	\$ 333,581	\$ (150,201)	\$ 11,215,767
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 190,764	\$ 423,525	\$ (136,325)	\$ 477,964	\$ 35,273	\$ 460,215	\$ 29,096	\$ (46,254)	\$ 956,294
Deferred revenue	785,749	25,830	-	811,579	2,370	-	45,063	(33,487)	825,525
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	-	188,962	-	188,962
Security loan agreements payable (Note 4)	6,023	-	-	6,023	-	-	-	-	6,023
Bonds and notes payable (Notes 10 and 11)	1,862,487	306,869	-	2,169,356	119,143	903,273	-	-	3,191,772
Federal grants refundable	71,310	876	-	72,186	3,479	-	-	-	75,665
Accrued benefit obligation (Note 13)	81,183	73,865	-	155,048	-	141,840	-	-	296,888
Accrued postretirement obligation (Note 14)	342,787	117,063	-	459,850	16,566	70,484	-	-	546,900
Asset retirement obligation	114,572	8,515	-	123,087	1,647	13,994	-	-	138,728
Total liabilities	3,454,875	956,543	(136,325)	4,275,093	178,478	1,589,806	263,121	(79,741)	6,226,757
Net assets									
Unrestricted	1,693,258	325,983	-	2,019,241	(2,247)	618,059	70,460	(70,460)	2,635,053
Temporarily restricted (Note 18)	446,204	203,102	-	649,306	9,296	191,776	-	-	850,378
Permanently restricted (Note 18)	1,105,618	303,528	-	1,409,146	81,422	13,011	-	-	1,503,579
Total net assets	3,245,080	832,613	-	4,077,693	88,471	822,846	70,460	(70,460)	4,989,010
Total liabilities and net assets	\$ 6,699,955	\$ 1,789,156	\$ (136,325)	\$ 8,352,786	\$ 266,949	\$ 2,412,652	\$ 333,581	\$ (150,201)	\$ 11,215,767

* As of June 30

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2011

(in thousands of dollars)

	2011								
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets									
Cash and cash equivalents	\$ 760,598	\$ 62,513	\$ -	\$ 823,111	\$ 890	\$ 356,318	\$ -	\$ -	\$ 1,180,319
Short-term investments (Note 4)	48,474	-	-	48,474	-	-	-	-	48,474
Accounts and loans receivable, net (Note 5)	348,289	61,311	(117,778)	291,822	12,679	11,054	77,384	(43,298)	349,641
Patient accounts receivable, net	4,106	50,878	-	54,984	-	228,396	-	-	283,380
Contributions receivable, net (Note 6)	229,885	61,301	-	291,186	3,094	123,497	-	-	417,777
Other assets (Note 7)	107,519	27,231	-	134,750	9,730	177,741	1,664	(89,443)	234,442
Deposits with trustees (Note 8)	112,165	7,511	-	119,676	7,277	188,501	-	-	315,454
Collateral for securities loaned (Note 4)	4,965	-	-	4,965	-	-	-	-	4,965
Long-term investments (Note 4)	1,941,330	807,706	-	2,749,036	115,080	25,217	-	-	2,889,333
Assets held by insurance captive (CCC550) (Note 12)	-	-	-	-	-	-	226,951	-	226,951
Land, buildings, and equipment, net (Note 9)	2,921,646	585,319	-	3,506,965	114,124	824,229	-	-	4,445,318
Total assets	\$ 6,478,977	\$ 1,663,770	\$ (117,778)	\$ 8,024,969	\$ 262,874	\$ 1,934,953	\$ 305,999	\$ (132,741)	\$ 10,396,054
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 233,714	\$ 303,181	\$ (117,778)	\$ 419,117	\$ 21,964	\$ 491,317	\$ 45,590	\$ (56,290)	\$ 921,698
Deferred revenue	762,970	36,395	-	799,365	1,204	-	47,663	(32,235)	815,997
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	-	168,530	-	168,530
Security loan agreements payable (Note 4)	4,965	-	-	4,965	-	-	-	-	4,965
Bonds and notes payable (Notes 10 and 11)	1,858,589	302,690	-	2,161,279	121,045	598,877	-	-	2,881,201
Federal grants refundable	69,690	1,650	-	71,340	3,528	-	-	-	74,868
Accrued benefit obligation (Note 13)	42,665	38,396	-	81,061	-	73,267	-	-	154,328
Accrued postretirement obligation (Note 14)	259,998	86,348	-	346,346	14,793	55,809	-	-	416,948
Asset retirement obligation	109,338	11,284	-	120,622	1,681	15,235	-	-	137,538
Total liabilities	3,341,929	779,944	(117,778)	4,004,095	164,215	1,234,505	261,783	(88,525)	5,576,073
Net assets									
Unrestricted	1,676,590	402,372	-	2,078,962	8,107	493,427	44,216	(44,216)	2,580,496
Temporarily restricted (Note 18)	429,741	199,203	-	628,944	9,532	198,275	-	-	836,751
Permanently restricted (Note 18)	1,030,717	282,251	-	1,312,968	81,020	8,746	-	-	1,402,734
Total net assets	3,137,048	883,826	-	4,020,874	98,659	700,448	44,216	(44,216)	4,819,981
Total liabilities and net assets	\$ 6,478,977	\$ 1,663,770	\$ (117,778)	\$ 8,024,969	\$ 262,874	\$ 1,934,953	\$ 305,999	\$ (132,741)	\$ 10,396,054

* As of June 30

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2012

(in thousands of dollars)

	2012			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Changes in unrestricted net assets				
Operating revenues				
Tuition and fees (net of financial aid awards of \$396,237 University; \$5,076 NYU Langone Medical Center)	\$ 1,425,514	\$ 45,033	\$ -	\$ 1,470,547
Grants and contracts (Note 15)	341,379	261,243	(1,519)	601,103
Insurance premiums earned	-	36,892	-	36,892
Patient care (Note 3)	47,092	2,279,028	-	2,326,120
Hospital affiliations (Note 16)	-	261,384	-	261,384
New York State appropriation	12,140	229	-	12,369
Contributions	91,423	38,858	-	130,281
Endowment distribution (Note 4)	82,264	36,384	-	118,648
Return on short-term investments (Note 4)	6,222	14,392	-	20,614
Auxiliary enterprises	362,305	26,367	(5,310)	383,362
Program fees and other	91,724	105,590	(6,616)	190,698
Net assets released from restrictions	65,290	63,927	-	129,217
Total operating revenues	<u>2,525,353</u>	<u>3,169,327</u>	<u>(13,445)</u>	<u>5,681,235</u>
Expenses (Note 17)				
Instruction and other academic programs	1,214,411	54,882	-	1,269,293
Research and other sponsored programs	302,680	358,115	(1,519)	659,276
Patient care	47,324	1,820,382	-	1,867,706
Hospital affiliations (Note 16)	-	242,457	-	242,457
Libraries	60,209	8,883	-	69,092
Student services	101,132	9,673	-	110,805
Institutional services	288,062	405,375	(6,616)	686,821
Auxiliary enterprises	376,323	57,148	(5,310)	428,161
Total expenses	<u>2,390,141</u>	<u>2,956,915</u>	<u>(13,445)</u>	<u>5,333,611</u>
Excess of operating revenues over expenses	135,212	212,412	-	347,624
Nonoperating activities				
Investment return (Note 4)	19,720	11,447	-	31,167
Appropriation of endowment distribution (Note 4)	(29,121)	(21,171)	-	(50,292)
Other	(3,676)	(665)	-	(4,341)
Net assets released from restrictions for capital purposes	3,226	3,610	-	6,836
Changes in pension and postretirement obligations (Notes 13 and 14)	(119,047)	(157,390)	-	(276,437)
Increase in unrestricted net assets	<u>6,314</u>	<u>48,243</u>	<u>-</u>	<u>54,557</u>
Changes in temporarily restricted net assets				
Contributions	105,808	77,553	-	183,361
Investment return (Note 4)	33,868	8,297	-	42,165
Appropriation of endowment distribution (Note 4)	(53,143)	(15,213)	-	(68,356)
Other	(1,790)	(5,700)	-	(7,490)
Net assets released from restrictions	(68,516)	(67,537)	-	(136,053)
Increase (decrease) in temporarily restricted net assets	<u>16,227</u>	<u>(2,600)</u>	<u>-</u>	<u>13,627</u>
Changes in permanently restricted net assets				
Contributions	80,628	25,542	-	106,170
Other	(5,325)	-	-	(5,325)
Increase in permanently restricted net assets	<u>75,303</u>	<u>25,542</u>	<u>-</u>	<u>100,845</u>
Increase in net assets	<u>\$ 97,844</u>	<u>\$ 71,185</u>	<u>\$ -</u>	<u>\$ 169,029</u>

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2011

(in thousands of dollars)

	2011			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Changes in unrestricted net assets				
Operating revenues				
Tuition and fees (net of financial aid awards of \$364,559 University; \$4,828 NYU Langone Medical Center)	\$ 1,359,950	\$ 38,049	\$ -	\$ 1,397,999
Grants and contracts (Note 15)	294,517	258,046	(2,089)	550,474
Insurance premiums earned	-	27,414	-	27,414
Patient care (Note 3)	45,282	2,017,910	-	2,063,192
Hospital affiliations (Note 16)	-	250,086	-	250,086
New York State appropriation	7,225	259	-	7,484
Contributions	72,359	42,552	-	114,911
Endowment distribution (Note 4)	74,923	34,902	-	109,825
Return on short-term investments (Note 4)	4,331	10,830	-	15,161
Auxiliary enterprises	345,164	29,568	(5,393)	369,339
Program fees and other	72,566	62,144	(7,246)	127,464
Net assets released from restrictions	66,203	48,549	-	114,752
Total operating revenues	<u>2,342,520</u>	<u>2,820,309</u>	<u>(14,728)</u>	<u>5,148,101</u>
Expenses (Note 17)				
Instruction and other academic programs	1,155,000	47,686	-	1,202,686
Research and other sponsored programs	247,530	334,601	(2,089)	580,042
Patient care	45,448	1,642,785	-	1,688,233
Hospital affiliations (Note 16)	-	229,475	-	229,475
Libraries	58,864	7,759	-	66,623
Student services	102,487	12,045	-	114,532
Institutional services	276,027	352,723	(7,246)	621,504
Auxiliary enterprises	375,740	54,611	(5,393)	424,958
Total expenses	<u>2,261,096</u>	<u>2,681,685</u>	<u>(14,728)</u>	<u>4,928,053</u>
Excess of operating revenues over expenses	81,424	138,624	-	220,048
Nonoperating activities				
Investment return (Note 4)	95,998	53,750	-	149,748
Appropriation of endowment distribution (Note 4)	(25,247)	(21,776)	-	(47,023)
Other	(1,743)	6,734	-	4,991
Net assets released from restrictions for capital purposes	5,344	20,709	-	26,053
Changes in pension and postretirement obligations (Notes 13 and 14)	915	31,714	-	32,629
Increase in unrestricted net assets before effect of change in accounting principle	156,691	229,755	-	386,446
Cumulative effect of change in accounting principle (Notes 2 and 18)	<u>(127,850)</u>	<u>(70,577)</u>	<u>-</u>	<u>(198,427)</u>
Increase in unrestricted net assets after effect of change in accounting principle	<u>28,841</u>	<u>159,178</u>	<u>-</u>	<u>188,019</u>
Changes in temporarily restricted net assets				
Contributions	59,979	76,646	-	136,625
Investment return (Note 4)	130,433	46,455	-	176,888
Appropriation of endowment distribution (Note 4)	(49,676)	(13,126)	-	(62,802)
Other	(2,859)	(292)	-	(3,151)
Net assets released from restrictions	<u>(67,734)</u>	<u>(69,258)</u>	<u>-</u>	<u>(136,992)</u>
Increase in temporarily restricted net assets before effect of change in accounting principle	70,143	40,425	-	110,568
Cumulative effect of change in accounting principle (Notes 2 and 18)	<u>127,850</u>	<u>70,577</u>	<u>-</u>	<u>198,427</u>
Increase in temporarily restricted net assets after effect of change in accounting principle	<u>197,993</u>	<u>111,002</u>	<u>-</u>	<u>308,995</u>
Changes in permanently restricted net assets				
Contributions	40,847	24,000	-	64,847
Other	5,647	-	-	5,647
Reclassification to unrestricted net assets (Note 18)	<u>(3,813)</u>	<u>-</u>	<u>-</u>	<u>(3,813)</u>
Increase in permanently restricted net assets	<u>42,681</u>	<u>24,000</u>	<u>-</u>	<u>66,681</u>
Increase in net assets	<u>\$ 269,515</u>	<u>\$ 294,180</u>	<u>\$ -</u>	<u>\$ 563,695</u>

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2012

(in thousands of dollars)

	2012								Total Consolidated NYU
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC550	Eliminations	
Changes in unrestricted net assets									
Operating revenues									
Tuition and fees (net of financial aid awards of \$396,237 University; and \$5,076 NYU Langone Medical Center)	\$ 1,347,341	\$ 45,033	\$ -	\$ 1,392,374	\$ 78,173	\$ -	\$ -	\$ -	\$ 1,470,547
Grants and contracts (Note 15)	326,321	260,404	(1,519)	585,206	15,058	839	-	-	601,103
Insurance premiums earned	-	-	-	-	-	-	55,586	(18,694)	36,892
Patient care (Note 3)	47,092	550,782	-	597,874	-	1,830,158	-	(101,912)	2,326,120
Hospital affiliations (Note 16)	-	245,439	-	245,439	-	15,945	-	-	261,384
New York State appropriation	11,917	229	-	12,146	223	-	-	-	12,369
Contributions	88,759	35,306	-	124,065	2,664	3,552	-	-	130,281
Endowment distribution (Note 4)	79,445	35,316	-	114,761	2,819	1,068	-	-	118,648
Return on short-term investments (Note 4)	6,222	702	-	6,924	-	2,070	11,620	-	20,614
Auxiliary enterprises	356,403	26,367	(5,310)	377,460	5,902	-	-	-	383,362
Program fees and other	90,944	95,794	(6,616)	180,122	780	97,277	-	(87,481)	190,698
Net assets released from restrictions	57,089	43,391	-	100,480	8,201	20,536	-	-	129,217
Total operating revenues	2,411,533	1,338,763	(13,445)	3,736,851	113,820	1,971,445	67,206	(208,087)	5,681,235
Expenses (Note 17)									
Instruction and other academic programs	1,152,449	54,882	-	1,207,331	61,962	-	-	-	1,269,293
Research and other sponsored programs	287,431	358,115	(1,519)	644,027	15,249	-	-	-	659,276
Patient care	47,324	558,217	-	605,541	-	1,364,077	-	(101,912)	1,867,706
Hospital affiliations (Note 16)	-	242,457	-	242,457	-	-	-	-	242,457
Libraries	60,209	8,883	-	69,092	-	-	-	-	69,092
Student services	90,726	9,673	-	100,399	10,406	-	-	-	110,805
Institutional services	268,971	85,728	(6,616)	348,083	19,091	358,616	35,962	(74,931)	686,821
Auxiliary enterprises	365,686	57,148	(5,310)	417,524	10,637	-	-	-	428,161
Total expenses	2,272,796	1,375,103	(13,445)	3,634,454	117,345	1,722,693	35,962	(176,843)	5,333,611
Excess (deficiency) of operating revenues over expenses	138,737	(36,340)	-	102,397	(3,525)	248,752	31,244	(31,244)	347,624
Nonoperating activities									
Investment return (Note 4)	21,702	11,343	-	33,045	(1,982)	104	-	-	31,167
Appropriation of endowment distribution (Note 4)	(26,302)	(21,129)	-	(47,431)	(2,819)	(42)	-	-	(50,292)
Other	(3,676)	503	-	(3,173)	-	(1,168)	-	-	(4,341)
Mission based payment	-	37,813	-	37,813	-	(37,813)	-	-	-
Net assets released from restrictions for capital purposes	3,226	500	-	3,726	-	3,110	-	-	6,836
Changes in pension and postretirement obligations (Notes 13 and 14)	(117,019)	(69,079)	-	(186,098)	(2,028)	(88,311)	-	-	(276,437)
Increase (decrease) in unrestricted net assets	16,668	(76,389)	-	(59,721)	(10,354)	124,632	31,244	(31,244)	54,557
Changes in temporarily restricted net assets									
Contributions	98,727	54,284	-	153,011	7,081	23,269	-	-	183,361
Investment return (Note 4)	33,023	7,693	-	40,716	845	604	-	-	42,165
Appropriation of endowment distribution (Note 4)	(53,143)	(14,187)	-	(67,330)	-	(1,026)	-	-	(68,356)
Other	(1,829)	-	-	(1,829)	39	(5,700)	-	-	(7,490)
Net assets released from restrictions	(60,315)	(43,891)	-	(104,206)	(8,201)	(23,646)	-	-	(136,053)
Increase (decrease) in temporarily restricted net assets	16,463	3,899	-	20,362	(236)	(6,499)	-	-	13,627
Changes in permanently restricted net assets									
Contributions	80,226	21,277	-	101,503	402	4,265	-	-	106,170
Other	(5,325)	-	-	(5,325)	-	-	-	-	(5,325)
Increase in permanently restricted net assets	74,901	21,277	-	96,178	402	4,265	-	-	100,845
Increase in net assets	\$ 108,032	\$ (51,213)	\$ -	\$ 56,819	\$ (10,188)	\$ 122,398	\$ 31,244	\$ (31,244)	\$ 169,029

*For the year ended June 30

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2011

(in thousands of dollars)

	2011								
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC500	Eliminations	Total Consolidated NYU
Changes in unrestricted net assets									
Operating revenues									
Tuition and fees (net of financial aid awards of \$364,559 University; and \$4,828 NYU Langone Medical Center)	\$ 1,286,180	\$ 38,049	\$ -	\$ 1,324,229	\$ 73,770	\$ -	\$ -	\$ -	\$ 1,397,999
Grants and contracts (Note 15)	280,934	255,727	(2,089)	534,572	13,583	2,319	-	-	550,474
Insurance premiums earned	-	-	-	-	-	-	55,804	(28,390)	27,414
Patient care (Note 3)	45,282	462,991	-	508,273	-	1,625,839	-	(70,920)	2,063,192
Hospital affiliations (Note 16)	-	240,020	-	240,020	-	10,066	-	-	250,086
New York State appropriation	6,777	259	-	7,036	448	-	-	-	7,484
Contributions	71,186	37,756	-	108,942	1,173	4,796	-	-	114,911
Endowment distribution (Note 4)	73,268	33,909	-	107,177	1,655	993	-	-	109,825
Return on short-term investments (Note 4)	4,331	349	-	4,680	-	2,405	8,076	-	15,161
Auxiliary enterprises	339,733	29,568	(5,393)	363,908	5,431	-	-	-	369,339
Program fees and other	70,845	51,349	(7,246)	114,948	1,721	44,364	-	(33,569)	127,464
Net assets released from restrictions	55,615	38,112	-	93,727	10,588	10,437	-	-	114,752
Total operating revenues	2,234,151	1,188,089	(14,728)	3,407,512	108,369	1,701,219	63,880	(132,879)	5,148,101
Expenses (Note 17)									
Instruction and other academic programs	1,095,153	47,686	-	1,142,839	59,847	-	-	-	1,202,686
Research and other sponsored programs	233,103	334,601	(2,089)	565,615	14,427	-	-	-	580,042
Patient care	45,448	460,131	-	505,579	-	1,253,574	-	(70,920)	1,688,233
Hospital affiliations (Note 16)	-	229,475	-	229,475	-	-	-	-	229,475
Libraries	58,864	7,759	-	66,623	-	-	-	-	66,623
Student services	92,826	12,045	-	104,871	9,661	-	-	-	114,532
Institutional services	258,518	88,920	(7,246)	340,192	17,509	261,882	58,934	(57,013)	621,504
Auxiliary enterprises	365,590	54,611	(5,393)	414,808	10,150	-	-	-	424,958
Total expenses	2,149,502	1,235,228	(14,728)	3,370,002	111,594	1,515,456	58,934	(127,933)	4,928,053
Excess (deficiency) of operating revenues over expenses	84,649	(47,139)	-	37,510	(3,225)	185,763	4,946	(4,946)	220,048
Nonoperating activities									
Investment return (Note 4)	81,212	53,245	-	134,457	14,786	505	-	-	149,748
Appropriation of endowment distribution (Note 4)	(23,592)	(21,731)	-	(45,323)	(1,655)	(45)	-	-	(47,023)
Other	(1,743)	4,842	-	3,099	-	1,892	-	-	4,991
Transfer of equity	-	3,925	-	3,925	-	(3,925)	-	-	-
Mission based payment	-	45,000	-	45,000	-	(45,000)	-	-	-
Net assets released from restrictions for capital purposes	5,344	5,111	-	10,455	-	15,598	-	-	26,053
Changes in pension and postretirement obligations (Notes 13 and 14)	1,593	16,699	-	18,292	(678)	15,015	-	-	32,629
Increase in unrestricted net assets before effect of change in accounting principle	147,463	59,952	-	207,415	9,228	169,803	4,946	(4,946)	386,446
Cumulative effect of change in accounting principle (Notes 2 and 18)	(127,850)	(63,548)	-	(191,398)	-	(7,029)	-	-	(198,427)
Increase (decrease) in unrestricted net assets after effect of change in accounting principle	19,613	(3,596)	-	16,017	9,228	162,774	4,946	(4,946)	188,019
Changes in temporarily restricted net assets									
Contributions	50,978	28,795	-	79,773	9,001	47,851	-	-	136,625
Investment return (Note 4)	126,725	43,826	-	170,551	3,708	2,629	-	-	176,888
Appropriation of endowment distribution (Note 4)	(49,676)	(12,178)	-	(61,854)	-	(948)	-	-	(62,802)
Other	(2,904)	(292)	-	(3,196)	45	-	-	-	(3,151)
Net assets released from restrictions	(60,959)	(43,223)	-	(104,182)	(6,775)	(26,035)	-	-	(136,992)
Increase in temporarily restricted net assets before effect of change in accounting principle	64,164	16,928	-	81,092	5,979	23,497	-	-	110,568
Cumulative effect of change in accounting principle (Notes 2 and 18)	127,850	63,548	-	191,398	-	7,029	-	-	198,427
Increase in temporarily restricted net assets after effect of change in accounting principle	192,014	80,476	-	272,490	5,979	30,526	-	-	308,995
Changes in permanently restricted net assets									
Contributions	40,279	24,000	-	64,279	568	-	-	-	64,847
Other	5,647	-	-	5,647	-	-	-	-	5,647
Reclassification to unrestricted net assets (Note 18)	-	-	-	-	(3,813)	-	-	-	(3,813)
Increase (decrease) in permanently restricted net assets	45,926	24,000	-	69,926	(3,245)	-	-	-	66,681
Increase in net assets	\$ 257,553	\$ 100,880	\$ -	\$ 358,433	\$ 11,962	\$ 193,300	\$ 4,946	\$ (4,946)	\$ 563,695

*For the year ended June 30