



NEW YORK UNIVERSITY

Financial Report

2008-2009



Independent Auditor's Report



Report of Independent Auditors

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

To the Board of Trustees of
New York University

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

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

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included on pages 30 through 37 in Appendix A - supplemental schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
December 7, 2009

Consolidated Balance Sheets

August 31, 2009 and 2008

(in thousands of dollars)

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

Consolidated Statement of Activities

Year Ended August 31, 2009 and 2008

(in thousands of dollars)

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

Consolidated Statement of Cash Flows

August 31, 2009 and 2008

(in thousands of dollars)

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

Notes to the Consolidated Financial Statements

August 31, 2009 and 2008 (in thousands of dollars)

Description of New York University

Note

I

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

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

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

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

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

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

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

| Note | Summary of Significant Accounting Policies |
|------|--|
|------|--|

2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note

Patient Care Revenue

3

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

Patient care revenue is reported at the estimated net realizable amounts due from patients, third-party 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 period as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

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

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

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

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

Note

Investments

4

SFAS 157 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 upon quoted prices in actively traded markets that NYU has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. NYU does not adjust the quoted price for such assets and liabilities.

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

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

Investments included in Level 3 primarily consist of NYU's ownership in alternative investments (principally limited partnership interests in private equity, absolute return, real estate and other similar funds). The value of certain alternative investments represents the ownership interest in the net asset value (NAV) of the respective partnership; 72% of investments held by the partnerships consist of marketable securities, and 28% are securities that do not have readily determinable fair values. The fair values (NAV) of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for

the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. NYU has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of August 31, 2009 and 2008, respectively.

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

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

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

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:

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

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

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

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

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

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

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

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

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

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

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

Accounts and Loans Receivable

Note

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

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

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

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

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

Contributions Receivable

Note

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

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

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

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

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

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

5

6

Note Other Assets

7

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

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

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

Note Deposits with Trustees

8

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

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

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

Note Land, Buildings and Equipment

9

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

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

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

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

Bonds and Notes Payable

Note

IO

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

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

| | 2009 | | | | | |
|--|---------------------|--------------------|-----------------------|-------------------|-------------------|---------------------|
| | Washington Square | School of Medicine | Total Obligated Group | Polytechnic | Hospitals Center | Consolidated NYU |
| Issuer | | | | | | |
| Dormitory Authority of the State of New York (DASNY)..... | \$ 1,241,094 | \$ 119,962 | \$ 1,361,056 | \$ - | \$ 418,402 | \$ 1,779,458 |
| New York City Industrial Development Agency (NYCIDA) | 62,893 | - | 62,893 | 105,257 | - | 168,150 |
| Other bonds and notes payable..... | 62,359 | 149,603 | 211,962 | 15,669 | 40,300 | 267,931 |
| Bonds and notes payable..... | \$ 1,366,346 | \$ 269,565 | \$ 1,635,911 | \$ 120,926 | \$ 458,702 | \$ 2,215,539 |
| | 2008 | | | | | |
| | Washington Square | School of Medicine | Total Obligated Group | Polytechnic | Hospitals Center | Consolidated NYU |
| Issuer | | | | | | |
| Dormitory Authority of the State of New York (DASNY)..... | \$ 1,268,653 | \$ 123,239 | \$ 1,391,892 | \$ - | \$ 431,909 | \$ 1,823,801 |
| New York City Industrial Development Agency (NYCIDA) | 62,852 | - | 62,852 | 105,313 | - | 168,165 |
| Other bonds and notes payable..... | 43,827 | 141,632 | 185,459 | 15,565 | 46,799 | 247,823 |
| Bonds and notes payable..... | \$ 1,375,332 | \$ 264,871 | \$ 1,640,203 | \$ 120,878 | \$ 478,708 | \$ 2,239,789 |

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

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

In 2008, the outstanding balance of \$98,525 from the Series 2004B bonds was refunded with a drawdown from one of the University’s lines of credit (see Note 11). The proceeds from the Series 2008C bonds were used to repay the balance drawn from the line of credit. The proceeds from the Series 2008A and 2008D bonds were used to acquire a student residence facility. The remainder of the bond proceeds will be used to purchase an office building for administrative use and to reimburse the University for costs incurred in connection with the reconstruction, renovation, and deferred maintenance of, and equipment and information systems purchases for, certain facilities at the Washington Square campus and certain other properties used by the University.

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

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

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

| | 2009 | | | | | |
|--|-------------------|--------------------|-----------------------|-------------|------------------|------------------|
| | Washington Square | School of Medicine | Total Obligated Group | Polytechnic | Hospitals Center | Consolidated NYU |
| DASNY, continued | | | | | | |
| Series 2008A bonds, with interest rates ranging from 4.0% to 5.25%, maturing serially from July 2013 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$5,176) | 285,426 | - | 285,426 | - | - | 285,426 |
| Series 2008B-1 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$3,604) | 218,639 | - | 218,639 | - | - | 218,639 |
| Series 2008B-2 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$241) | 11,911 | - | 11,911 | - | - | 11,911 |
| Series 2008C bonds, with interest rates ranging from 3.0% to 5.0%, maturing serially on July 2010 through July 2023. Thereafter, in July 2029 and July 2038 (including premium of \$994) | 99,799 | - | 99,799 | - | - | 99,799 |
| Series 2008D bonds, with interest rates ranging from 4.24% to 5.33%, maturing serially from July 2010 through July 2013 . | 10,705 | - | 10,705 | - | - | 10,705 |
| Subtotal of DASNY bonds | 1,241,094 | 119,962 | 1,361,056 | - | 418,402 | 1,779,458 |
| NYCIDA | | | | | | |
| NYCIDA Series 2001 bonds, with interest rates ranging from 4.1% to 5.4%, maturing serially from July 2011 through July 2041 (net of discount of \$1,317) | 62,893 | - | 62,893 | - | - | 62,893 |
| NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 through November 2037 (including premium of \$1,557) | - | - | - | 105,257 | - | 105,257 |
| Subtotal of NYCIDA | 62,893 | - | 62,893 | 105,257 | - | 168,150 |
| Other bonds and notes payable | | | | | | |
| Various with interest rates ranging from .97% to 7.0%, due through November 2017 | 1,393 | 20 | 1,413 | - | 40,300 | 41,713 |
| Lines of credit - JP Morgan Chase and Bank of America | 43,807 | 149,583 | 193,390 | - | - | 193,390 |
| Bank loan 2.91% | - | - | - | 10,000 | - | 10,000 |
| Capital leases | 17,159 | - | 17,159 | 5,669 | - | 22,828 |
| Subtotal of other bonds and notes payable | 62,359 | 149,603 | 211,962 | 15,669 | 40,300 | 267,931 |
| Total amounts outstanding | \$ 1,366,346 | \$ 269,565 | \$ 1,635,911 | \$ 120,926 | \$ 458,702 | \$ 2,215,539 |

continued on next page

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

| | 2008 | | | | | |
|---|-------------------|--------------------|-----------------------|-------------|------------------|------------------|
| | Washington Square | School of Medicine | Total Obligated Group | Polytechnic | Hospitals Center | Consolidated NYU |
| DASNY, continued | | | | | | |
| Series 2008B-1 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$3,697)..... | 218,732 | - | 218,732 | - | - | 218,732 |
| Series 2008B-2 bonds, with interest rates ranging from 3.0% to 5.25%, maturing serially from July 2010 through July 2023. Thereafter, in July 2029, July 2038 and July 2048 (including premium of \$250)..... | 11,920 | - | 11,920 | - | - | 11,920 |
| Series 2008C bonds, with interest rates ranging from 3.0% to 5.0%, maturing serially on July 2010 through July 2023. Thereafter, in July 2029 and July 2038 (including premium of \$1,028)..... | 99,833 | - | 99,833 | - | - | 99,833 |
| Series 2008D bonds, with interest rates ranging from 4.24% to 5.33%, maturing serially from July 2010 through July 2013. | 10,705 | - | 10,705 | - | - | 10,705 |
| Subtotal of DASNY bonds..... | 1,268,653 | 123,239 | 1,391,892 | - | 431,909 | 1,823,801 |
| NYCIDA | | | | | | |
| NYCIDA Series 2001 bonds, with interest rates ranging from 4.1% to 5.4%, maturing serially from July 2011 through July 2041 (net of discount of \$1,358)..... | 62,852 | - | 62,852 | - | - | 62,852 |
| NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 through November 2037 (including premium of \$1,613)..... | - | - | - | 105,313 | - | 105,313 |
| Subtotal of NYCIDA..... | 62,852 | - | 62,852 | 105,313 | - | 168,165 |
| Other bonds and notes payable | | | | | | |
| Various with interest rates ranging from 3.0% to 16.5%, due through November 2017..... | 1,460 | 119 | 1,579 | - | 46,799 | 48,378 |
| Student Loan Marketing Association Term loans, 7.0% due December 2013, 8.4% due August 2012..... | 24,900 | 141,513 | 166,413 | - | - | 166,413 |
| Bank loan 3.8%..... | - | - | - | 10,000 | - | 10,000 |
| Capital leases..... | 17,467 | - | 17,467 | 5,565 | - | 23,032 |
| Subtotal of other bonds and notes payable..... | 43,827 | 141,632 | 185,459 | 15,565 | 46,799 | 247,823 |
| Total amounts outstanding..... | \$ 1,375,332 | \$ 264,871 | \$ 1,640,203 | \$ 120,878 | \$ 478,708 | \$ 2,239,789 |

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

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

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

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

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

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

Note

Obligations with Financial Institutions

II

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

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

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

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

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

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

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

Self-Insured Professional Liabilities

Note

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

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

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

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.

I2

Note Retirement Plans

13

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

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

Plans' Funded Status:

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

Net Periodic Benefit Cost:

| | 2009 | 2008 |
|--|-----------------|------------------|
| Components of net periodic benefit cost | | |
| Service cost | \$ 11,086 | \$ 11,021 |
| Interest cost..... | 30,488 | 26,889 |
| Expected return on plan assets | (36,357) | (30,611) |
| Amortization of prior service cost..... | 401 | 436 |
| Actuarial loss | 324 | 2,449 |
| Net periodic benefit cost..... | <u>\$ 5,942</u> | <u>\$ 10,184</u> |

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

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

Plan Assets:

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

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

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

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

Contributions:

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

Benefit Payments:

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

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

Note | Other Postretirement Benefits

I4

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

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

Plans' Funded Status:

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

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

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

Net Periodic Benefit Cost:

| | 2009 | 2008 |
|--|------------------|------------------|
| Components of net periodic benefit cost | | |
| Service cost | \$ 15,443 | \$ 16,304 |
| Interest cost | 21,829 | 20,138 |
| Expected return on plan assets | (1,597) | (1,538) |
| Amortization of transition obligation | 22 | 22 |
| Amortization of plan service cost | (4,646) | (4,494) |
| Actuarial loss | 1,559 | 2,760 |
| | <u>32,610</u> | <u>33,192</u> |
| Curtailment gain | - | (1,333) |
| Net periodic benefit cost | <u>\$ 32,610</u> | <u>\$ 31,859</u> |

| | 2009 | 2008 |
|--|------------------|--------------------|
| Other changes recognized in unrestricted net assets | | |
| Amortization of actuarial net loss | \$ 5,168 | \$ (2,760) |
| Actuarial net loss arising during period | 10,796 | (17,533) |
| Amortization of prior service cost..... | 337 | 4,494 |
| Prior service cost arising during period | 4,310 | (4,193) |
| Amortization of transition obligation | (22) | (22) |
| Curtailement gain | - | 1,333 |
| Total recognized in nonoperating activities..... | <u>\$ 20,589</u> | <u>\$ (18,681)</u> |
| Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets | | |
| Transition assets | \$ 87 | \$ 109 |
| Prior service credit | (21,844) | (26,490) |
| Accumulated loss | 68,133 | 52,168 |
| Amounts in unrestricted net assets at end of year..... | <u>\$ 46,376</u> | <u>\$ 25,787</u> |
| Change in unrestricted net assets | | |
| Amounts in unrestricted net assets, beginning of year | \$ 25,787 | \$ 44,468 |
| Fiscal year 2009 change in the amount recognized in nonoperating activities..... | 20,589 | (18,681) |
| Amounts in unrestricted net assets, end of year..... | <u>\$ 46,376</u> | <u>\$ 25,787</u> |
| Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2010 and 2009 | | |
| Actuarial gain | \$ 969 | \$ 1,527 |
| Prior service credit | (3,933) | (4,642) |
| Transition obligation..... | 22 | 22 |

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

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

Plan Assets:

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

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

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

Benefit Payments:

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

Year ending August 31

| | |
|------------------|-----------|
| 2010..... | \$ 14,859 |
| 2011..... | 16,069 |
| 2012..... | 17,487 |
| 2013..... | 18,674 |
| 2014..... | 20,131 |
| Thereafter | 125,128 |

Note **Grants and Contracts**

15

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

Note **Hospital Affiliations**

16

The School of Medicine has two affiliation agreements with the New York City Health and Hospitals Corporation (HHC) to provide general care and mental health services. One agreement is with Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center which terminates June 30, 2010. The other agreement is with Bellevue Hospital Center and Gouverneur Diagnostic and Treatment Center which terminates June 30, 2011.

Note **Allocated Expenses**

17

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

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

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

Note **Components of Temporarily and Permanently Restricted Net Assets**

18

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

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

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

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

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

The Board of Trustees of NYU has interpreted the State of New York's enacted version of the Uniform Management of Instructional Funds Act ("UMIFA") as requiring the preservation of the historic dollar value of donor-restricted endowment funds (absent explicit donor stipulations to the contrary). The term "historic dollar value" is defined as the aggregate fair value in dollars of (i) an endowment fund at the time it became an endowment fund, (ii) each subsequent donation to the fund at the time it is made, and (iii) each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. As a result of this interpretation, NYU classifies as permanently restricted net assets (i) the original value of gifts donated to the permanently restricted net assets, (ii) the original value of subsequent gifts to the permanent endowment, (iii) the net realizable value of future payments to permanently restricted net assets in accordance with the donor's gift instrument (outstanding endowment pledges net of applicable discount), and (iv) appreciation (depreciation), gains (losses) and income earned on the fund when the donor states that such increases or decreases are to be treated as changes in permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets or unrestricted net assets.

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

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

| | Unrestricted | Permanently Restricted | 2009 |
|--|---------------------|------------------------|---------------------|
| Endowment net assets, beginning of year..... | \$ 1,521,399 | \$ 1,095,544 | \$ 2,616,943 |
| Investment return: | | | |
| Investment income, net of fees | 11,196 | - | 11,196 |
| Net depreciation..... | (304,878) | - | (304,878) |
| Total investment return | <u>(293,682)</u> | <u>-</u> | <u>(293,682)</u> |
| Contributions and other additions..... | 46,610 | 56,340 | 102,950 |
| Endowment distribution | (109,527) | - | (109,527) |
| Liquidations..... | (30,320) | - | (30,320) |
| Reclassification to unrestricted net assets..... | 27,000 | (27,000) | - |
| Endowment net assets, end of year | <u>\$ 1,161,480</u> | <u>\$ 1,124,884</u> | <u>\$ 2,286,364</u> |

| | Unrestricted | Temporarily Restricted | Permanently Restricted | 2008 |
|--|--------------|------------------------|------------------------|--------------|
| Endowment net assets, beginning of year... | \$ 1,271,896 | \$ 2,051 | \$ 1,014,487 | \$ 2,288,434 |
| Investment return: | | | | |
| Investment income, net of fees | 35,095 | 851 | - | 35,946 |
| Net depreciation..... | (89,127) | - | - | (89,127) |
| Total investment return | (54,032) | 851 | - | (53,181) |
| Contributions and other additions..... | 449,921 | - | 88,593 | 538,514 |
| Endowment distribution | (100,720) | (2,902) | - | (103,622) |
| Liquidations | (53,202) | - | - | (53,202) |
| Reclassification to unrestricted net assets... | 7,536 | - | (7,536) | - |
| Endowment net assets, end of year..... | \$ 1,521,399 | \$ - | \$ 1,095,544 | \$ 2,616,943 |

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

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

Note

Commitments and Contingencies

19

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

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

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

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

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

Subsequent Events**Note****20**

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

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

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

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

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

Blank Page

Appendix A

Supplemental Schedules to the Consolidated Financial Statements

Appendix Supplemental Schedule to the Consolidated Financial Statements

A

(Consolidating Balance Sheet for NYU—Summary)
 August 31, 2009
(in thousands of dollars)

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

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Balance Sheet for NYU—Summary)

August 31, 2008

(in thousands of dollars)

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

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Balance Sheet for NYU—Detail)

August 31, 2009

(in thousands of dollars)

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

* As of June 30, 2009

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Balance Sheet for NYU—Detail)

August 31, 2008

(in thousands of dollars)

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

* As of June 30, 2008

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Statement of Activities for NYU—Summary)
 Year Ended August 31, 2009
(in thousands of dollars)

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

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Statement of Activities for NYU—Summary)

Year Ended August 31, 2008

(in thousands of dollars)

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

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Statement of Activities for NYU—Detail)

Year Ended August 31, 2009

(in thousands of dollars)

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

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

*For the year ended June 30, 2009

Supplemental Schedule to the Consolidated Financial Statements

(Consolidating Statement of Activities for NYU—Detail)
 Year Ended August 31, 2008
 (in thousands of dollars)

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

*For the year ended June 30, 2008

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

Senior University Administration

John Sexton

B.A., M.A., PH.D., J.D.
President

David W. McLaughlin

B.S., M.S., PH.D.
Provost

Michael C. Alfano

D.M.D., PH.D.
Executive Vice President

Robert Berne

B.S., M.B.A., PH.D.
Executive Vice President for Health

Richard Foley

B.A., M.A., PH.D.
Vice Chancellor for Strategic Planning; Chair, Faculty Advisory Committee on Academic Priorities

Diane C. Yu

B.A., J.D.
Chief of Staff and Deputy to the President

Bonnie S. Brier

B.A., J.D.
Senior Vice President, General Counsel, and Secretary of the University

Lynne P. Brown

B.A., M.A., PH.D.
Senior Vice President for University Relations and Public Affairs

Martin S. Dorph

B.S., M.B.A., J.D.
Senior Vice President for Finance and Budget

Norman Dorsen

B.A., LL.B.
Counselor to the President

Pierre C. Hohenberg

B.A., M.A., PH.D.
Senior Vice Provost for Academic Policies

Paul M. Horn

B.S., PH.D.
Senior Vice Provost for Research

Debra A. LaMorte

B.A., J.D.
Senior Vice President for Development and Alumni Relations

Alison Leary

B.S.
Senior Vice President for Operations

Linda G. Mills

B.A., J.D., M.S.W., PH.D.
Senior Vice Provost for Undergraduate Education and University Life; Associate Vice Chancellor for Admissions and Financial Aid, New York University Abu Dhabi

Dianne Rekow

B.S., B.S.M.E., M.B.A., M.S.M.E.
D.D.S., PH.D.
Senior Vice Provost for Engineering and Technology; Provost, Polytechnic Institute of NYU

Ron Robin

B.A., M.A., PH.D.
Senior Vice Provost for Planning; Senior Vice Provost of New York University Abu Dhabi

K. R. Sreenivasan

B.E., M.E., M.A., PH.D.; HON.: B.Sc.
Senior Vice Provost; Special Adviser for Science and Technology to the Vice Chancellor of New York University Abu Dhabi

Deans and Directors

Roger Bagnall

B.A., M.A., PH.D.
Director, Institute for the Study of the Ancient World

Gérard Ben Arous

MAITRISE [PARIS VII], DEA [ORSAY], DEA [PARIS VI], PH.D. [PARIS VII]
Acting Director, Courant Institute of Mathematical Sciences (academic year, 2009-2010)

Jess Benhabib

B.A., M.PHIL., PH.D.
Acting Dean, Faculty of Arts and Science

Lauren Benton

B.A., PH.D.
Acting Dean for Humanities, Faculty of Arts and Science

Charles N. Bertolami

D.D.S., D.MED.SC.
Herman Robert Fox Dean, College of Dentistry

Alfred H. Bloom

B.A., PH.D.; HON.: LL.D.
Vice Chancellor, New York University Abu Dhabi

Sally E. Blount

B.S.E., M.S., PH.D.
Dean, Undergraduate College; Vice Dean, Leonard N. Stern School of Business (to July 14, 2010)

Mary M. Brabeck

B.A., M.S., PH.D.
Dean, Steinhardt School of Culture, Education, and Human Development

Mary Schmidt Campbell

B.A., M.A., PH.D.; HON.: D.F.A.
D.H.L., PH.D.
Dean, Tisch School of the Arts

Dennis S. Charney

B.A., M.D.
Dean, Mount Sinai School of Medicine (affiliated)

Dalton Conley

B.A., M.P.A., PH.D.
Dean for Social Sciences, Faculty of Arts and Science

Leslie Greengard

B.A., M.D./PH.D.
Director, Courant Institute of Mathematical Sciences (on sabbatical, academic year, 2009-2010)

Robert I. Grossman

B.S., M.D.
Saul J. Farber Dean, NYU School of Medicine; Chief Executive Officer, NYU Hospitals Center

Peter Blair Henry

B.A.; B.A. [OXON.], PH.D.
Dean, Leonard N. Stern School of Business

Jerry M. Hultin

B.A., J.D.
President, Polytechnic Institute of NYU

Robert S. Lapiner

B.A., M.A., PH.D.
Dean, School of Continuing and Professional Studies

Carol A. Mandel

B.A., M.A., M.S.L.S.
Dean of Libraries

Richard L. Revesz

B.S.E., M.S., J.D.
Dean, School of Law

Patricia Rubin

B.A., M.A., PH.D.
Judy and Michael Steinhardt Director, Institute of Fine Arts

Matthew S. Santirocco

B.A.; M.A. [CANTAB.], M.PHIL., PH.D.
Seryl Kushner Dean, College of Arts and Science; Associate Provost for Undergraduate Academic Affairs

Ellen Schall

B.A., J.D.
Dean, Robert F. Wagner Graduate School of Public Service

Fred Schwarzbach

B.A., M.A., PH.D.
Dean of Liberal Studies

Daniel L. Stein

B.S., M.S., PH.D.
Dean for Science, Faculty of Arts and Science

Catharine R. Stimpson

B.A.; B.A., M.A. [CANTAB.], PH.D.; HON.: D.H.L., HUM.D., LITT.D., LL.D.
Dean, Graduate School of Arts and Science

Lynn Videka

B.S.N., M.A., Ph.D.
Dean, Silver School of Social Work

Susanne L. Wofford

B.A.; B.PHIL. [OXON.], PH.D.
Dean, Gallatin School of Individualized Study

New York University Board of Trustees

Martin Lipton

CHAIR

Partner, *Wachtell, Lipton, Rosen & Katz*

William R. Berkley

VICE CHAIR

Chairman of the Board and Chief Executive Officer, *W. R. Berkley Corporation*

Laurence D. Fink

VICE CHAIR

Chairman and Chief Executive Officer, *BlackRock, Inc.*

Kenneth G. Langone

VICE CHAIR

Chairman and Chief Executive Officer, *Invemed Associates, LLC*

Thomas S. Murphy

HONORARY VICE CHAIR

Retired Chairman and Chief Executive Officer, *Capital Cities/ABC, Inc.*

Larry A. Silverstein

HONORARY VICE CHAIR

President and Chief Executive Officer, *Silverstein Properties, Inc.*

Anthony Welters

VICE CHAIR

Executive Vice President, *UnitedHealth Group*

Leonard A. Wilf

VICE CHAIR

President, *Garden Homes, Inc.*

John Sexton

President, *New York University*

Ronald D. Abramson

Shareholder, *Buchanan Ingersoll & Rooney, PC*

Khaldoon Khalifa Al Mubarak

Chairman of the Executive Affairs Authority of the Government of Abu Dhabi

Phyllis Putter Barasch*

Maria Bartiromo*

Anchor, *CNBC Business News*

Marc H. Bell

Marc Bell Capital Partners, LLC

Daniel J. Brodsky*

Partner, *The Brodsky Organization*

Heather Cannady**

Law Clerk, *Chambers of Judge Joseph A. Greenaway, Jr.*

Arthur L. Carter

President, *Utilities & Industries Management Corporation*

Evan R. Chesler*

Presiding Partner, *Cravath, Swaine & Moore LLP*

Michael R. Cunningham*

Group Chief Executive Officer, *Diversified Global Graphics Group*

Florence A. Davis

President, *The Starr Foundation*

Barry Diller

Chairman and Chief Executive Officer, *IAC/InterActiveCorp*

Joel S. Ehrenkranz

Senior Partner, *Ehrenkranz & Ehrenkranz, LLP*

Jay M. Furman

Principal, *RD Management Corporation*

H. Dale Hemmerdinger

President, *The Hemmerdinger Corporation*

Jonathan Herman*

Partner, *Dorsey & Whitney LLP*

Charles J. Hinkaty

Former President and Chief Executive Officer, *Del Laboratories, Inc.*

Mitchell Jacobson LAW '76

Chairman, *MSC Industrial Direct Co., Inc.*

Richard D. Katcher

Partner, *Wachtell, Lipton, Rosen & Katz*

Richard Jay Kogan

Retired President and Chief Executive Officer, *Schering-Plough Corporation*

Jerry H. Labowitz*

Jeffrey H. Lynford

Chairman, *Reis, Inc.*

Donald B. Marron

Chairman, Chief Executive Officer, and Founder, *Lightyear Capital*

Constance J. Milstein

Principal and Co-Founder, *Ogden CAP Properties, LLC*

Brooke Garber Neidich

David C. Oxman

Senior Counsel, *Davis Polk & Wardwell*

Catherine B. Reynolds

Chairman and Chief Executive Officer, *Catherine B. Reynolds Foundation*

Courtney Sale Ross

William C. Rudin

President, *Rudin Management Company, Inc.*

Suresh Sani**

Vice President, *First Pioneer Properties, Inc.*

Constance Silver

Director, *Special Training, Indian Creek Public Safety Department*

Lisa Silverstein

Senior Vice President, *Silverstein Properties, Inc.*

Joel E. Smilow

Chairman, *Dinex Group, LLC*

Jay Stein

Chairman, *Stein Mart, Inc.*

Joseph S. Steinberg

President and Director, *Leucadia National Corporation*

Judy Steinhardt

Michael H. Steinhardt

Managing Member, *Steinhardt Management, Inc.*

Daniel R. Tisch

Partner, *Mentor Partners*

John L. Vogelstein

Senior Advisor, *Warburg Pincus LLC*

Casey Wasserman

Chairman and Chief Executive Officer, *Wasserman Media Group*

Shelby White

Trustee, *The Leon Levy Foundation*

William D. Zabel

Partner

Life Trustees

Diane Belfer

Philanthropist

Mamdouha Bobst

President, *The Elmer & Mamdouha Bobst Foundation*

John Brademas

President Emeritus, *New York University*

Geraldine H. Coles

Philanthropist

John J. Creedon

Former President and Chief Executive Officer, *Metropolitan Life Insurance Company*

Maurice R. Greenberg

Chairman and Chief Executive Officer, *C. V. Starr and Co., Inc.*

Henry Kaufman

President, *Henry Kaufman & Company, Inc.*

Helen L. Kimmel

L. Jay Oliva

President Emeritus, *New York University*

Herbert M. Paul

President, *Herbert Paul, P.C.*

* Alumni Trustee

** Young Alumni Trustee

Lester Pollack
Chairman and Founder, Centre
Partners Management, LLC

E. John Rosenwald, Jr.
Vice Chairman Emeritus,
JPMorgan Chase Bank

William R. Salomon
Honorary Chairman, Citigroup

Marie Schwartz
President, Arnold and Marie
Schwartz Fund for Education &
Health Research

Sheldon H. Solow
President, Solow Building
Company

Henry Taub
The Henry & Marilyn Taub
Foundation

Lillian Vernon
Founding Chairman,
Lillian Vernon Corporation

Robert F. Wright
President and Chief Executive
Officer, Robert F. Wright
Associates, Inc.

Baroness Mariuccia Zerilli-
Marimò

Trustee Associates

Bruce Berger
President, Sutton Group
Services, Inc.

Leonard Boxer
Chairman, Real Estate
Department, Stroock & Stroock
& Lavan LLP

Jane Eisner Bram
Psychotherapist

Betty Weinberg Ellerin
Senior Counsel, Alston & Bird
LLP

Norman Goodman
County Clerk, Commissioner of
Jurors, New York County

Marvin Leffler
President, Town Hall Foundation

New York University School of Law Foundation Board of Trustees

Anthony Welters
CHAIRMAN
Executive Vice President,
UnitedHealth Group

Thomas Reed Brome
VICE CHAIRMAN
Partner, Cravath, Swaine &
Moore

Michael C. Alfano
EX OFFICIO
Executive Vice President, New
York University

Paul S. Berger
Partner, Arnold & Porter LLP

Sheila L. Birnbaum
Partner, Skadden, Arps, Slate,
Meagher & Flom LLP

Bonnie S. Brier
EX OFFICIO
Senior Vice President, General
Counsel, and Secretary of the
University (from June 9, 2009)

Murray H. Bring
Vice Chairman & General
Counsel (Retired),
Altria Group, Inc.

Kathryn Cassell Chenault

Evan Chesler
Presiding Partner, Cravath,
Swaine & Moore

William T. Comfort, III
Principal, Conversion Capital
Partners Limited

Florence A. Davis
President, The Starr Foundation

Joel S. Ehrenkranz
Senior Partner, Ehrenkranz &
Ehrenkranz, LLP

Alfred B. Engelberg

Laurie R. Ferber
General Counsel, MF Global
Ltd.

M. Carr Ferguson
Senior Counsel, Davis Polk &
Wardwell

Karen J. Freedman
Executive Director, Lawyers for
Children

Alan L. Fuchsberg
Partner, The Jacob D. Fuchsberg
Law Firm

Jay M. Furman
Principal, R.D. Management
Corporation

Barry H. Garfinkel
Of Counsel, Skadden, Arps,
Slate, Meagher & Flom LLP

Jeffrey N. Greenblatt
Managing Principal, Ankyra
Capital Management

Ronald Grossman
President, RG Advisory Services,
LLC

Wayne R. Hannah, Jr.
Partner, Sonnenschein Nath &
Rosenthal LLP

Rita E. Hauser
President, The Hauser
Foundation

Mitchell L. Jacobson
Chair & Chief Executive Officer,
MSC Industrial Direct
Company, Inc.

Jerome H. Kern
President, Kern Consulting,
LLC

Robert Kindler
Vice Chairman of Investment
Banking, Morgan Stanley

Charles Klein
Managing Director, American
Securities, L.P.

Sloan N. Lindemann
Consumer Editor, NBC 11

Bella L. Linden
Attorney at Law

Martin Lipton
Partner, Wachtell, Lipton, Rosen
& Katz

George T. Lowy
Senior Counsel, Cravath, Swaine
& Moore

David Malkin
Attorney at Law

Jerome A. Manning
Of Counsel, Stroock & Stroock
& Lavan LLP

David McLaughlin
EX OFFICIO
Provost, New York University

Jonathan Mechanic
Partner, Fried, Frank, Harris,
Shriver and Jacobson, LLP

Ronald Moelis
Principal and Real Estate
Developer, L&M Equity
Participants, Ltd.

Francis J. Morison
Senior Counsel, Davis Polk &
Wardwell

Sara E. Moss
Senior Vice President, General
Counsel & Secretary, The Estée
Lauder Companies, Inc.

Terrance Nolan
EX OFFICIO
Acting General Counsel, New
York University
(to June 8, 2009)

Darilyn T. Olidge
*Director and Counsel,
 Credit Suisse Securities, LLC*

Martin D. Payson
*Managing Partner, Carl Marks
 Healthcare Partners LLC*

Wayne M. Perry
*Chairman & CEO, Shotgun
 Creek Wireless LLC*

Lester Pollack
*Managing Director, Centre
 Partners Management, LLC*

Kenneth M. Raisler
*Partner, Sullivan & Cromwell
 LLP*

Bonnie Feldman Reiss
Attorney at Law

Ingeborg Rennert
Renco Group Inc.

Richard Revesz
 EX OFFICIO
*Dean, New York University
 School of Law*

Rachel F. Robbins
*Vice President and General
 Counsel, International Finance
 Corporation*

Eric M. Roth
*Partner, Wachtell, Lipton, Rosen
 & Katz*

Brian L. Schorr
*Executive Vice President and
 General Counsel, Trian Fund
 Management L.P.*

Andrew J. Segal
*President, Boxer Property
 Management Corporation*

John Sexton
 EX OFFICIO
President, New York University

O. Peter Sherwood
*Partner, Manatt, Phelps &
 Phillips*

Warren J. Sinsheimer
*President, Partnership for
 Children's Rights*

Martha E. Stark

Kenneth Ira Starr
*President, Starr & Company,
 CPA P.C.*

Lewis R. Steinberg
Partner, Linklaters LLP

Daniel E. Straus
President, CareOne, LLC

Eileen Sudler
*General Counsel, Sudler
 Management Company*

Peter D. Sudler
*President, Sudler Management
 Company*

David A. Tanner
*Executive Vice President,
 ContiGroup Companies, Inc.*

Vincent S. Tese
*Kramer Levin Naftalis &
 Frankel LLP*

Leonard A. Wilf
President, Garden Homes, Inc.

Mark Wilf
Vice President, Garden Homes, Inc.

Life Trustees

Leonard Boxer
*Chairman, Real Estate
 Department, Stroock & Stroock
 & Lavan LLP*

Zachary W. Carter
Partner, Dorsey & Whitney LLP

William T. Comfort, Jr.
*Chairman, Citicorp, Venture
 Capital, Ltd.*

John J. Creedon
*Former President and Chief
 Executive Officer, Metropolitan
 Life Insurance Company*

Ciro A. Gamboni
*Partner, Cahill Gordon &
 Reindel*

R. May Lee

Jose Maldonado
*Vice President, Integrity and
 Compliance, AmeriChoice
 Corporation*

Dwight Opperman
Chairman, Key Investments, Inc.

Norma Z. Paige
*Chairman Emeritus, Astronautics
 Corporation of America*

Hon. Stewart G. Pollock
*Of Counsel, Riker Danzig
 Scherer Hyland & Perretti*

Norman Redlich
*Of Counsel, Wachtell, Lipton,
 Rosen & Katz*

Catherine A. Rein
*President and Chief
 Administrative Officer,
 Metropolitan Life Auto & Home*

Hon. Rose Luttan Rubin

Ellen Schall
*Dean, Robert F. Wagner
 Graduate School of Public
 Service, New York University*

Louis B. Thalheimer
*Chairman and Chief Executive
 Officer, Lord Baltimore Capital
 Corporation*

Herbert M. Wachtell
*Partner, Wachtell, Lipton, Rosen
 & Katz*

William J. Williams, Jr.
Partner, Sullivan & Cromwell

Board of Trustees of the Institute of Fine Arts

Judy Steinhartd

CHAIRMAN

Michael C. Alfano

EX OFFICIO

Executive Vice President, New York University

Catherine Coleman Brawer

President, Ida and William Rosenthal Foundation

Deborah Loeb Brice

President, Deborah Loeb Brice Foundation

Bonnie S. Brier

EX OFFICIO

Senior Vice President, General Counsel, and Secretary of the University (from June 9, 2009)

Suzanne Deal Booth

Gail Engelberg

Co-Trustee, Engelberg Foundation

Phyllis Lambert

Founding Director, Centre Canadien D'Architecture

Abby Leigh

Trustee, Abby and Mitch Leigh Foundation; Trustee, The Drawing Center; Artist (Painter)

Michele D. Marincola

EX OFFICIO

Interim Director, Institute of Fine Arts, New York University (to August 31, 2009)

James R. McCredie

Sherman Fairchild Professor Emeritus of Fine Arts and Director Emeritus, Institute of Fine Arts, New York University

David W. McLaughlin

EX OFFICIO

Provost, New York University

Philippe de Montebello

EX OFFICIO

Director, The Metropolitan Museum of Art

Alexandra Munroe

Senior Curator, Solomon R. Guggenheim Museum

Robert S. Pirie

John Sexton

EX OFFICIO

President, New York University

Sheldon H. Solow

CHAIRMAN EMERITUS

Maurice Tempelman

Senior Partner, Leon Tempelman & Son; Chairman of the Board, Lazare Kaplan International, Inc.

James N. Wood

President and Chief Executive Officer, The J. Paul Getty Trust

Baroness Mariuccia Zerilli-Marimò

NYU Hospitals Center and New York University School of Medicine Advisory Board

Kenneth G. Langone

CHAIR

President and Chief Executive Officer, Invemed Associates

Laurence D. Fink

COCHAIR

Chairman and Chief Executive Officer, BlackRock Inc.

Michael C. Alfano

EX OFFICIO

Executive Vice President, New York University

Dwight Anderson

Ospraie Management

Marc H. Bell

Managing Director, Marc Bell Capital Partners LLC

William R. Berkley

Chairman and Chief Executive Officer, W. R. Berkley Corporation

Robert Berne

EX OFFICIO

Senior Vice President for Health, New York University

Bonnie S. Brier

EX OFFICIO

Senior Vice President, General Counsel, and Secretary of the University (from June 9, 2009)

Edgar Bronfman, Jr.

Chairman and Chief Executive Officer, Warner Music Group

Kenneth I. Chenault

Chairman and Chief Executive Officer, American Express Company

Marshall S. Cogan

Generation III Partners

Gary D. Cohn

President and Chief Operating Officer, Goldman Sachs

William J. Constantine

Managing Director, Legg Mason Investment Counsel

Elizabeth B. Dater

Managing Director, Angelo, Gordon & Co.

Jamie Dimon

Chief Executive Officer and Chairman of the Board, JPMorgan Chase & Co.

Fiona Druckenmiller

Norman Eig

Managing Member, EXOP Capital LLC

Alvin H. Einbender

Einbender Management Corp.

Lori Fink

Louis P. Friedman

Managing Partner, Flexis Capital LLC

Jay M. Furman

Principal, RD Management Corporation

Michael Gardner

Managing Member, Baytree Capital Associates, LLC

Steven J. Gilbert

Chairman, Gilbert Global Equity Partners

Stephen L. Green

Chairman, S.L. Green Realty Corporation

Robert I. Grossman

EX OFFICIO

Saul J. Farber Dean, NYU School of Medicine; Chief Executive Officer, NYU Hospitals Center

George E. Hall

President, The Clinton Group

Sylvia Hassenfeld

Jackie Harris Hochberg

Stanley H. Kaplan

President, Rita & Stanley H. Kaplan Foundation

Helen L. Kimmel

Sidney Lapidus

Retired Partner, Warburg Pincus LLC

Thomas H. Lee

President, Thomas H. Lee Capital, LLC

Martin Lipton
Partner, Wachtell, Lipton, Rosen
& Katz

Louis Marx, Jr.
President and Chief Executive
Officer, Brae Capital

Deryck Maughan
Managing Director and
Chairman of KKR Asia,
Kohlberg Kravis Roberts &
Company

David W. McLaughlin
EX OFFICIO
Provost, New York University

Edward H. Meyer
Chairman, Chief Executive
Officer, and Chief Investment
Officer, Ocean Road
Advisors, Inc.

Heidi G. Miller
Head, Treasury and Security
Services, JPMorgan Chase & Co.

Edward J. Minskoff
President, Edward J. Minskoff
Equities, Inc.

Darla Moore
Executive Vice President,
Rainwater, Inc.

Thomas S. Murphy
Chairman and Chief Executive
Officer (Retired), Capital
Cities/ABC, Inc.

Brooke Garber Neidich

Frank T. Nickell
President and Chief Executive
Officer, Kelso & Company

Terrance Nolan
EX OFFICIO
Acting General Counsel, New
York University (to June 8,
2009)

Michael E. Novogratz
President and Director, Fortress
Investment Group LLC

Debra Perelman
MacAndrews & Forbes
Holdings, Inc.

Ronald O. Perelman
Chairman and Chief Executive
Officer, MacAndrews & Forbes
Holdings, Inc.

William A. Perlmuth
Stroock & Stroock & Lavan LLP

Laura Perlmutter

Douglas A. Phillips
CPA, Weiser, LLP

Robert W. Pittman
Founding Member, Pilot Group

Alan Rappaport
Vice Chairman, Roundtable
Investment Partners LLC

Frank E. Richardson
Chairman and Chief Executive
Officer, F.E. Richardson & Co.

Linda Gosden Robinson
Chairman, Robinson, Lerer &
Montgomery

E. John Rosenwald, Jr.
Vice Chairman Emeritus,
JPMorgan Chase Bank

Michael P. Schulhof
Chairman, GTI Group

Alan D. Schwartz
Executive Chairman,
Guggenheim Partners, LLC

Bernard L. Schwartz
Chairman and Chief Executive
Officer, BLS Investments LLC

John E. Sexton
EX OFFICIO
President, New York University

Stanley Shopkorn
Managing Partner, Hilltop Park
Associates

Henry R. Silverman
Chief Operating Officer, Realogy
Corporation

Larry A. Silverstein
President and Chief Executive
Officer, Silverstein Properties, Inc.

Joel E. Smilow
Chairman, Dinex Group, LLC

Norma Smith

Robin L. Smith
Chief Executive Officer and
Chairman of the Board of
Directors, NeoStem, Inc.

Carla Solomon

William C. Steere, Jr.
Chair Emeritus, Pfizer Inc.

John M. Stewart

Alice M. Tisch

Thomas J. Tisch
Managing Partner, Four Partners;
Chancellor, Brown University

Bradley J. Wechsler
Chairman of the Board, IMAX
Corporation

Alan G. Weiler
Partner, Weiler, Arnow Manage-
ment Co., Inc.

Anthony Welters
Executive Vice President,
UnitedHealth Group

Life Trustees

Mamdouha S. Bobst
President, The Elmer and
Mamdouha Bobst Foundation

Geraldine H. Coles
Philanthropist

Arnold Greenberg

Felix Kaufman, Ph.D.

Bernard A. Marden

Eleanor J. Piel, Esq.
Attorney at Law

Associate Trustees

Lola Finkelstein

Irma Hilton
Professor of Psychology and
Director of Research Training,
Clinical Psychology, Yeshiva
University Graduate School of
Psychology

Laurence C. Leeds, Jr.
Chairman, Buckingham Capital
Management

Miriam Lubling

Daniel Rosenbloom
Senior Managing Director, First
Manhattan Company

Michael Stoler

Medical Staff Members

Stuart Garay, M.D.
NY Pulmonary Associates

Howard B. Ginsburg, M.D.
Division Chief, Pediatric Surgery,
NYU Langone Medical Center

Robert A. Press, M.D., Ph.D.
Chief Medical Officer, NYU
Langone Medical Center

Polytechnic Institute of NYU Board of Trustees

Officers

Ralph Alexander

CHAIRMAN

Managing Director, Riverstone Holdings LLC

Jeffrey H. Lynford

VICE CHAIRMAN

Chairman, Reis, Inc.

Michael R. Corey

SECRETARY/TREASURER

Treasurer (Retired), J. P. Morgan Investment Mgmt. Inc.

Craig G. Matthews

IMMEDIATE PAST CHAIRMAN

Vice Chairman & COO (Retired), Keyspan

Jerry M. Hultin

PRESIDENT

Polytechnic Institute of NYU

Trustees

Walter C. Bell

Consultant

Daniel H. Berry

Operating Partner and Industry Consultant, Riverside Partners LLC

Israel Borovich

Retired Chairman, El Al Airlines

Aviva D. Budd, Esq.

Mario Cardullo, PE

Managing Director, The Belfield Group, Inc.

Gerald Dawes

General Manager, Consolidated Edison of NY, Inc.

Ruth A. Fattori

Chief Administrative Officer, Metropolitan Life Insurance Co.

Richard Fishbein

Partner Emeritus, Cortec Group, Inc.

Randy Frey

Chief Executive Officer, Lens AR, Inc.

William L. Friend

Treasurer, National Academy of Engineering

Patrick A. Garzillo

Vice President, Domestic Telecom Finance Group Verizon

Leila B. Heckman

Senior Managing Director, Mesirow Financial

Charles J. Hinkaty

President and Chief Executive Officer (Retired), Del Laboratories Inc.

Paul M. Horn

Distinguished Scientist in Residence, New York University

Linda K. Jacobs

Chair, Near East Foundation

Michael H. Kappaz

Chairman and Chief Executive Officer, K & M Engineering & Consulting Group

Lawrence Katz

Financial Advisor, Katz Family Financial Advisors

John Kirksey

President, Kirksey Group

William K. Kramer

Partner, SJ Realty Associates, LLC

Michael J. O'Brien

Corporate Partner, Wilmer, Cutler, Pickering, Hal & Dorr, LLP

Leonardo Pomata

Consultant-Information Technology

Robert Prieto

Senior Vice President, Fluor Corp.

Steven M. Rittvo

Chairman, The Innovation Holdings Group

Mark Ronald

Retired Chairman, BAE Systems, Inc.

John P. Schaefer

President, LSST Corporation

Leonard J. Shustek

Chairman, Computer History Museum

James M. Smith

Chairman, President and Chief Executive Officer (Retired), Edo Corporation

Donald N. Weisstuch

Senior Vice President of Transportation (Retired), Sverdrup Corp.

A private university in the public service.

