

New York University
Consolidated Financial Statements and
Supplemental Information
August 31, 2022 and 2021

New York University
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August 31, 2022 and 2021

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Report of Independent Auditors

To the Board of Trustees of
New York University

Opinion

We have audited the accompanying consolidated financial statements of New York University and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of August 31, 2022 and 2021, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement



resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating information as of and for the years ended August 31, 2022 and 2021 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements, nor is it intended to present the financial position, changes in net assets and cash flows of the individual companies. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

New York, New York
December 14, 2022

New York University
Consolidated Balance Sheets
August 31, 2022 and 2021

(in thousands of dollars)

	2022	2021
Assets		
Cash and cash equivalents	\$ 3,014,564	\$ 3,340,195
Short-term investments (Note 5)	175,945	193,532
Accounts and loans receivable, net (Note 6)	847,849	758,529
Patient accounts receivable, net (Note 4)	1,215,720	1,059,493
Contributions receivable, net (Note 7)	622,216	638,104
Other assets (Note 8)	1,074,070	1,075,431
Deposits with trustees (Note 9)	622,951	866,472
Long-term investments (Note 5)	6,479,554	7,093,866
Operating right to use assets (Note 11)	2,154,222	2,154,999
Assets held for professional liabilities (Note 13)	950,996	914,127
Land, buildings, and equipment, net (Note 10)	<u>13,524,087</u>	<u>12,900,693</u>
Total assets	<u>\$ 30,682,174</u>	<u>\$ 30,995,441</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,551,333	\$ 2,777,772
Deferred revenue	1,413,925	1,327,589
Operating lease liability (Note 11)	2,316,986	2,295,086
Professional liabilities (Note 13)	917,229	847,910
Debt and other obligations (Note 12)	9,566,406	9,640,911
Funds held for others (Notes 6 and 8)	493,479	533,123
Accrued benefit obligation (Note 14)	398,718	537,447
Accrued postretirement obligation (Note 14)	510,738	632,710
Asset retirement obligation	<u>287,047</u>	<u>353,852</u>
Total liabilities	<u>18,455,861</u>	<u>18,946,400</u>
Net assets		
Without donor restrictions	7,489,240	6,936,140
With donor restrictions (Note 17)	<u>4,737,073</u>	<u>5,112,901</u>
Total net assets	<u>12,226,313</u>	<u>12,049,041</u>
Total liabilities and net assets	<u>\$ 30,682,174</u>	<u>\$ 30,995,441</u>

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

New York University

Consolidated Statements of Activities

Years Ended August 31, 2022 and 2021

<i>(in thousands of dollars)</i>	2022	2021
Changes in net assets without donor restrictions		
Operating revenues		
Tuition and fees (net of financial aid awards of \$852,272 and \$825,662)	\$ 2,452,721	\$ 2,107,670
Grants and contracts (Note 2)	1,391,271	1,193,596
Patient care (Note 4)	8,862,837	8,162,916
Hospital affiliations (Note 15)	448,827	415,355
Insurance premiums earned	108,014	106,708
Contributions	74,415	67,243
Endowment distribution (Note 5)	198,345	185,904
Return on short-term investments (Note 5)	45,157	33,452
Auxiliary enterprises (net of financial aid awards of \$70,701 and \$47,077)	382,105	238,627
Program fees and other	687,937	888,184
Net assets released from restrictions	173,496	134,916
Total operating revenues	<u>14,825,125</u>	<u>13,534,571</u>
Expenses (Note 16)		
Salaries and fringe	8,394,663	7,824,432
Medical and pharmaceutical costs	1,477,431	1,356,236
Professional services	737,180	601,242
Facilities costs	904,243	830,384
Fees, insurance and taxes	460,450	411,055
Depreciation and amortization	945,911	902,340
Interest	368,647	368,152
Other	818,674	712,357
Total expenses	<u>14,107,199</u>	<u>13,006,198</u>
Excess of operating revenues over expenses	717,926	528,373
Nonoperating activities		
Investment return (Note 5)	(475,133)	573,097
Appropriation of endowment distribution (Note 5)	(64,208)	(59,335)
Pension and postretirement nonservice costs (Note 14)	26,171	6,277
Changes in pension and postretirement obligations (Note 14)	271,079	399,853
Net assets released from restrictions for capital	20,215	19,140
Non-clinical COVID costs (Note 2)	(37,792)	(110,482)
Other	94,842	(51,498)
Increase in net assets without donor restrictions	<u>553,100</u>	<u>1,305,425</u>
Changes in net assets with donor restrictions		
Contributions	299,803	606,113
Investment return (Note 5)	(339,241)	795,379
Appropriation of endowment distribution (Note 5)	(134,137)	(126,569)
Other	(8,542)	24,486
Net assets released from restrictions	(193,711)	(154,056)
(Decrease) increase in net assets with donor restrictions	<u>(375,828)</u>	<u>1,145,353</u>
Increase in net assets	<u>\$ 177,272</u>	<u>\$ 2,450,778</u>

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

New York University

Consolidated Statements of Cash Flows

Years Ended August 31, 2022 and 2021

(in thousands of dollars)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 177,272	\$ 2,450,778
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	945,911	902,340
(Gain) loss on sale or disposal of land, buildings and equipment	(201)	361
Net loss (gain) on investments, deposits with trustees, and split-interest agreements	893,019	(1,328,602)
Bad debt expense	18,407	21,530
Pension and postretirement obligation change	(271,079)	(399,853)
Contributions received for permanent investment and capital	(113,609)	(119,739)
Proceeds from insurance recovery for capital or FEMA award	(1,236)	(4,793)
Amortization of operating right to use assets	265,324	267,675
Acquisition of Long Island Community Hospital	(105,967)	-
Changes in operating assets and liabilities		
Increase in accounts and loans receivable, net	(90,233)	(94,009)
Increase in patient accounts receivable	(129,017)	(212,239)
Decrease (increase) decrease in nonendowment and noncapital contributions receivable	9,425	(245,500)
Increase in other assets	(31,740)	(30,991)
Decrease in asset retirement obligation	(16,265)	(980)
(Decrease) increase in accounts payable and accrued expenses	(389,796)	348,851
Decrease in operating lease liability	(252,314)	(240,494)
Increase in professional liabilities	45,374	77,169
Increase in deferred revenue	86,336	316,364
Decrease in accrued benefit obligation	(1,452)	(37,512)
Increase in accrued postretirement obligation	11,830	29,105
Net cash provided by operating activities	<u>1,049,989</u>	<u>1,699,461</u>
Cash flows from investing activities		
Purchases of investments	(3,271,831)	(4,238,859)
Sales and maturities of investments	2,951,822	3,667,095
Drawdowns of unexpended bond proceeds	87,603	376,744
Additions to land, buildings, and equipment	(1,377,026)	(1,043,429)
Cash from acquisition of Long Island Community Hospital	86,068	-
Proceeds from insurance recovery	45	100
Net cash used in investing activities	<u>(1,523,319)</u>	<u>(1,238,349)</u>
Cash flows from financing activities		
Contributions received for permanent investment and capital	113,609	119,739
Proceeds from FEMA award for future mitigation	1,191	4,693
Proceeds from short-term borrowings	-	200,000
Proceeds from long-term borrowings	38,870	335,302
Principal payments on long-term borrowings	(231,619)	(276,585)
Line of credit repayments	-	(450,000)
Payments of deferred financing costs	-	(1,153)
Decrease in funds held for others	(5,590)	(5,983)
Net cash used in financing activities	<u>(83,539)</u>	<u>(73,987)</u>
Net (decrease) increase in cash	<u>(556,869)</u>	<u>387,125</u>
Cash, cash equivalents and restricted cash		
Beginning of year	<u>3,930,195</u>	<u>3,543,070</u>
End of year	<u>\$ 3,373,326</u>	<u>\$ 3,930,195</u>
Supplemental disclosure of cash flow information		
Interest paid	\$ 385,168	\$ 387,066
Change in noncash acquisitions of land, buildings, and equipment	60,097	(117,929)
Right-of-use assets obtained		
In exchange for new operating lease obligations	\$ 249,270	\$ 148,514
In exchange for new finance lease obligations	50,243	809,818

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

New York University

Notes to Consolidated Financial Statements

August 31, 2022 and 2021

(in thousands of dollars)

1. Description of New York University

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

The consolidated reporting entities for NYU consist of the University and NYU Langone Health, which represents the activities of NYU Langone Health System (Health System) and its two medical schools: the NYU Robert I. Grossman School of Medicine (NYUGSoM) and NYU Long Island School of Medicine (collectively the NYU Schools of Medicine).

The University

The University includes twenty-one colleges and divisions each with its own traditions, programs and faculty. The schools, in order of founding date, are the College of Arts and Science, School of Law, NYUGSoM (reported as a part of NYU Langone Health), 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 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, Rory Meyers College of Nursing, Institute for the Study of the Ancient World, NYU Abu Dhabi, Tandon School of Engineering (formerly Polytechnic University founded in 1854), NYU Long Island School of Medicine (reported as part of NYU Langone Health), and The School of Global Public Health. The University also operates academic program sites and research programs in other parts of the United States and abroad.

In addition to the colleges and divisions, NYU operates NYU Shanghai, which grants NYU degrees as a joint venture with East China Normal University. The New York-based activities of NYU Shanghai are reported in the University's consolidated balance sheets and consolidated statements of activities.

NYU Langone Health

The Health System is the sole corporate member of NYU Langone Hospitals, which is a quaternary care teaching hospital that operates five inpatient acute care facilities and over 40 ambulatory facilities in Manhattan, Brooklyn, and Long Island. The 813-bed inpatient facilities in Manhattan are comprised of the Kimmel Pavilion (which also houses the Hassenfeld Children's Hospital) and Tisch Hospital. The NYU Langone Orthopedic Hospital, also located in Manhattan, is a 225-bed facility specializing in orthopedic, neurologic, and rheumatologic services. NYU Langone Hospital-Brooklyn is a 444-bed facility in the Sunset Park section of Brooklyn. NYU Langone Hospital-Long Island is a 591-bed acute care facility located in Mineola, New York. Ambulatory facilities include the Laura and Isaac Perlmutter Cancer Center, a comprehensive cancer and ambulatory care center, as well as a freestanding Emergency Department in the Cobble Hill section of Brooklyn, amongst others.

On March 1, 2022, the Health System completed an affiliation agreement (the Affiliation) with and became the sole corporate member of Brookhaven Health Care Services Corporation, d/b/a Long Island Community Hospital Foundation and Brookhaven Memorial Hospital Medical Center Inc., d/b/a Long Island Community Hospital. Brookhaven Memorial Hospital Medical Center Inc. subsequently changed its name to Long Island Community Hospital at NYU Langone Health (LICH). LICH is a 306-bed acute care hospital located in Patchogue, New York.

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

NYUGSoM employs approximately 3,450 faculty physicians (the Faculty Group Practice) who render patient care in more than 350 practice locations primarily in the New York City region.

NYU Langone Hospitals is the sole corporate member of CCC550 Insurance, SCC. (CCC550), which provides the hospitals' professional and general liability insurance, as well as insurance to physicians employed by the NYUGSoM. CCC550 is subject to taxation in accordance with Section 29 of the Exempt Insurance Act in Barbados.

Affiliation with Long Island Community Hospital

The Health System's Affiliation with and the subsequent change in control of LICH was accounted for as a business combination in accordance with Accounting Standards Codification (ASC), Topic 805, *Business Combinations*, and ASC 958-805-05, *Acquisition by a Not-for-Profit Entity*. NYU recorded \$101,557 of non-operating income in the 2022 consolidated statement of activities which represents LICH's net assets without donor restriction at March 1, 2022 and the excess of the fair value of assets acquired over the fair value of liabilities assumed. No consideration was exchanged for the acquisition.

As a result of the Affiliation, LICH changed its fiscal year from a calendar year to a fiscal year beginning September 1st and ending August 31st to align with the fiscal year of the Health System. As a result of this change, obtaining revenues and changes in net assets as though the acquisition occurred at the beginning of fiscal year 2022 was impracticable.

The following is a summary of the LICH activity included in the 2022 consolidated statement of activities:

Net assets without donor restriction as of March 1,2022	\$ 100,540
Excess fair value of assets acquired over liabilities	1,017
Acquisition of Long Island Community Hospital	<u>101,557</u>
Operating revenues	118,815
Operating expenses	<u>138,522</u>
	(19,707)
Nonoperating activities	<u>(6,733)</u>
Change in net assets without donor restrictions	75,117
Change in net assets with donor restrictions	3,861
Total change in net assets as a result of acquisition	<u>\$ 78,978</u>

The following is a summary of the LICH amounts included in the consolidated balance sheet as of August 31, 2022:

	August 31, 2022
Assets	\$ 293,466
Liabilities	214,488
Net assets without donor restrictions	75,117
Net assets with donor restrictions	3,861

As of August 31, 2022, LICH was not in compliance with its debt service coverage ratio covenant.

New York University

Notes to Consolidated Financial Statements

August 31, 2022 and 2021

(in thousands of dollars)

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of NYU have, in all material respects, been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not for Profit Entities*. This standard focuses on the entity as a whole and requires classification of net assets 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 asset classifications follows:

Without Donor Restrictions: 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.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of NYU or the passage of time. Items that are included in donor restricted net assets are gifts for which donor-imposed restrictions have not been met in the year of receipt; endowments, annuity, and life income gifts; pledges; investment return on donor restricted endowment funds; and endowments where the principal may be expended upon the passage of a stated period of time. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions. In addition, NYU has elected the simultaneous release option for contributions that are also subject to purpose restrictions.

Activities

Revenues and expenses related to conducting programmatic activities and provision of services by NYU are classified as operating in the consolidated statements of activities. Investment return relating to board-designated endowment funds and the related endowment appropriation, as well as nonservice changes in pension and postretirement obligations, incremental non-clinical COVID-19 related expenses, and other activity that is not part of NYU's core activities, are classified as nonoperating in the consolidated statements of activities.

New York University

Notes to Consolidated Financial Statements

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(in thousands of dollars)

Tuition and Fees

Tuition and fees are derived from degree-granting programs as well as executive and continuing education programs. Tuition and fee revenue is recognized within the fiscal year in which the related educational services are provided as the performance obligation is satisfied. Tuition and fee receipts received in advance of a semester are recorded as deferred revenue. Financial aid, in the form of scholarships and grants, including amounts funded by the endowment, research funds, and gifts reduces the published price of tuition for students receiving such aid. As such, financial aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Tuition and fees are reported net of financial aid on the consolidated statements of activities.

Auxiliary Enterprises

Auxiliary enterprises are self-supporting activities that furnish goods or services to students, faculty, staff, or incidentally to the general public, and charge a fee directly related to, although not necessarily equal to, the cost of the goods or services. Auxiliary enterprises include student housing and dining, real estate rental income, and other similar activities. Student housing and dining services are delivered over the academic terms and revenues are recognized ratably as the performance obligation is satisfied. Student housing and dining services are presented net of financial aid on the consolidated statements of activities.

Grants and Contracts

NYU receives funding for sponsored programs from various government agencies, foundations, and corporations. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal non-exchange transaction in which the funding provided is for the benefit of NYU, the funding organization's mission, or the public at large.

Revenues from non-exchange transactions may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). NYU's grants and contracts are primarily conditional non-exchange transactions and revenues are recognized when expenses are incurred. Unspent conditional contributions from grants and contracts total \$1,096,310 and \$1,172,400 at August 31, 2022 and 2021, respectively. Revenues from unconditional non-exchange transactions are recognized in the period awarded.

In 2022 and 2021, grants and contracts revenue recognized from U.S. governmental sources totaled \$761,319 and \$585,304 respectively. Such sponsored grants and contracts generally provide for the recovery of indirect costs supporting these activities. Indirect costs, included in grant and contract revenues, are recovered at rates established in advance by NYU through negotiations with the U.S. federal government and other private sponsors and totaled \$219,185 and \$198,237, respectively.

In 2014, NYU Langone Health was awarded a \$982,400 multi-year fixed capped public assistance grant from the Federal Emergency Management Agency (FEMA) for both repair and replacement of damages and hazard mitigation projects as a result of Superstorm Sandy. The hazard mitigation project portion of the award was recognized as a contribution with donor restriction (Note 17), with a corresponding FEMA receivable (Note 6). The net assets are released from restriction as the costs are incurred and totaled \$11,369 and \$8,126 for the years ended August 31, 2022 and 2021, respectively.

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Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received at their fair value. Contributions receivable are reported at their discounted present value, using an estimated interest rate for the year in which the promise was received and considering market and credit risk as applicable (4.15% in 2022 and 1.87% in 2021). Amortization of the discount is recorded as additional contribution revenue. Allowances are recorded for estimated uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Fair Value Measurements

Authoritative guidance of fair value measurements, ASC 820, *Fair Value Measurements*, establishes a hierarchy of valuation methodologies based on the extent to which asset valuations are observable in the marketplace.

The following describes the hierarchy of methodologies used to measure fair value of investments:

Fair value for Level 1 is based on unadjusted 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.

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

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

Investments for which fair value is measured at net asset value (NAV) per share as a practical expedient consist primarily of NYU's ownership in alternative investments (principally limited partnership interests in public equity, hedge funds, credit, real assets, private equity, real estate, and other similar funds). The 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 due diligence on these investments and believes the reported NAV as a practical expedient is an appropriate measure of fair value as of August 31, 2022 and 2021.

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

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(in thousands of dollars)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly-liquid debt instruments with original maturities of three months or less when purchased. The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturity of the instruments. NYU maintains its deposits with high credit quality financial institutions, with balances that exceed federal depository insurance limits. Management does not believe the credit risk related to these deposits is significant. All short-term, highly liquid investments, which would otherwise qualify as cash equivalents that are included in NYU's investment pool within long-term investments, are treated as investments and are therefore excluded from cash and cash equivalents in the consolidated statements of cash flows.

The following table provides a reconciliation of cash and cash equivalents reported within the consolidated balance sheets to the amounts reported in the consolidated statements of cash flows at August 31, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 3,014,564	\$ 3,340,195
Cash in long-term investment pool (Note 5)	123,227	177,070
Cash in other long-term investments (Note 5)	7,097	4,078
Cash in other assets (Note 8)	845	332
Cash in deposits with trustees (Note 9)	189,996	382,923
Cash in assets held for professional liabilities (Note 13)	37,597	25,597
	<u>3,373,326</u>	<u>3,930,195</u>
Cash, cash equivalents and restricted cash	<u>\$ 3,373,326</u>	<u>\$ 3,930,195</u>

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 10-60 years, equipment 3-10 years) using the straight-line method. Repairs and maintenance expenditures are expensed when incurred.

Leases

NYU leases certain academic spaces, medical offices, administrative offices, and equipment under finance and operating leases. Operating lease right-of-use (ROU) assets and operating lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds 12 months. NYU uses its incremental borrowing rate to calculate the present value of lease payments because the leases do not have a readily determinable implicit discount rate. As a practical expedient, NYU elected to include both lease and non-lease components in the calculation of the operating lease ROU asset and operating lease obligation. Variable lease payments are excluded for purposes of calculating the operating ROU asset and operating lease obligation unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded for purposes of calculating the operating ROU asset and operating lease obligation unless NYU is reasonably certain to exercise the option to extend the lease.

New York University

Notes to Consolidated Financial Statements

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(in thousands of dollars)

Lease expense for operating leases is recognized on a straight-line basis over the term of the lease. Deferred rent liability is reported as a reduction to the ROU assets within the consolidated balance sheets.

Collections

The University does not assign a value 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.

Deferred Revenue

Deferred revenue consists of tuition and fees and student housing and dining fees received in advance of the Fall semester as well as funding received for grants and contracts in advance of incurring the qualifying expenses.

Asset Retirement Obligation

NYU recognizes asset retirement obligations on future events, such as the abatement of asbestos and removal of lead-based paint and petroleum bulk storage tanks from buildings. The fair value of the liability for a conditional asset retirement obligation is recognized in the period in which it occurred, provided that it can be reasonably estimated. Corresponding asset retirement costs (net of accumulated depreciation) have been included in land, buildings, and equipment.

Funds Held for Others

Funds held for others consist of NYU's federal grants refundable and deferred compensation plan liabilities (457(b)). Corresponding assets are included within accounts receivable (Note 6) and other assets (Note 8), 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.

Authoritative Pronouncements Adopted

In August 2018, the FASB issued ASU 2018-14, *Compensation-Retirement Benefits-Defined Benefit Plans*, which addresses changes to the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The amendments in the update remove disclosures that no longer are considered cost beneficial, clarify the specific requirements of disclosures, and add disclosure requirements identified as relevant. The standard is effective for fiscal years beginning after December 15, 2019. NYU adopted this standard in fiscal year 2021 using a retrospective approach and updated the disclosures in Note 14.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement: Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which eliminates, adds and modifies certain disclosure requirements related to fair value measurement. The standard is effective for fiscal years beginning after December 15, 2019, with early adoption permissible. NYU adopted this standard in fiscal year 2021 using a retrospective approach with no material impact on NYU's consolidated financial statements.

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In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal Use Software*. The new standard aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal use software. This ASU is effective for fiscal years beginning after December 15, 2020. NYU adopted this standard in fiscal year 2022 using a prospective approach with no material impact on NYU's consolidated financial statements.

New Authoritative Pronouncements not yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*. The new standard removes the previous requirement that a credit loss be probable of occurring for it to be recognized, and requires entities to use historical experience, current conditions, and reasonable and supportable forecasts to estimate their future expected credit losses. The standard is required to be applied using the modified retrospective approach with a cumulative-effect adjustment to net assets, if any, upon adoption. This ASU is effective for fiscal years beginning after December 15, 2022. NYU is currently evaluating the impact of the new standard on the consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform, Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The standard provides temporary optional guidance to ease the potential burden in accounting for reference rate reform due to the risk of cessation of the London Interbank Offered Rate ("LIBOR"). The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This standard is effective immediately and can be applied through December 31, 2022. NYU does not expect the adoption to have a material impact on the NYU's consolidated financial statements.

Impact of COVID-19

The University incurred expenses relating to COVID-19 testing, incremental space for social distancing, and other pandemic related expenses supporting student instruction, research, and pandemic related campus services. These expenses have been recorded as non-clinical COVID costs in non-operating activity for the years ended August 31, 2022 and 2021, respectively.

Coronavirus Aid, Relief and Economic Security Act

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was enacted. The CARES Act impacted NYU as follows for the years ended August 31, 2022 and 2021:

- NYU Langone Health received \$441,276 in advanced payments from the Centers for Medicare and Medicaid Services (CMS) (\$432,800 in April 2020 and \$8,476 in September 2020), for which repayment began in April 2021 and concluded in May 2022. There were no amounts outstanding as of August 31, 2022. As of August 31, 2021, NYU Langone Health had a remaining Medicare advance of \$317,099, which is reported in accounts payable and accrued expenses on the consolidated balance sheets.
- LICH received \$47,267 in advanced payments from CMS, for which repayment began in April 2021. As of August 31, 2022, LICH has a remaining Medicare advance of \$11,076, which is reported in accounts payable and accrued expenses on the consolidated balance sheets.

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- The Higher Education Emergency Relief Fund (HEERF) appropriated funding to the Office of Postsecondary Education. The U.S. Department of Education (DOE) awarded HEERF funds based on an institution of higher education's Pell Grant recipients and full-time enrollment. Based on these criteria, the University recognized \$2,461 and \$121,414 in program fees and other revenues in the consolidated statements of activities for the years ended August 31, 2022 and 2021, respectively. Financial aid awards include \$30,091 and \$69,899 of COVID-related emergency grants to students supported by University funds, HEERF funds, and donations for the years ended August 31, 2022 and 2021, respectively.
- NYU deferred the deposit and payment of the employer's share of Social Security taxes. NYU has \$93,886 and \$181,950 in accounts payable and accrued expenses for these deferred tax payments as of August 31, 2022 and 2021, respectively, which are due to be paid in equal installments on December 31, 2022 and December 31, 2023.

Federal Emergency Management Agency

NYU Langone Health recognizes revenue on awarded project worksheets as expenses are incurred and determined to be eligible for FEMA reimbursement. NYU Langone Health recognized \$13,478 and \$199,661 as program fees and other in the consolidated statements of activities for reimbursement of eligible operating expenses and \$772 and \$4,305 in nonoperating activities in the consolidated statements of activities related to FEMA reimbursement of capital expenditures for the years ended August 31, 2022 and 2021, respectively. NYU Langone Health has a balance due from FEMA of \$61,297 and \$54,358 in accounts and loans receivable on the consolidated balance sheets as of August 31, 2022 and 2021, respectively.

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3. Financial Assets and Liquidity Resources

As of August 31, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital expenditures not financed with debt, were as follows:

	2022	2021
Financial assets		
Cash and short-term investments	\$ 3,190,509	\$ 3,533,727
Investments available for general purposes	1,094,856	1,273,620
Accounts receivable, net	213,674	236,143
Grants and contracts receivable, net	206,917	153,773
Insurance premiums and recoveries receivable	110,633	105,457
Patient accounts receivable, net	1,215,720	1,059,493
Non-endowment pledge payments due within one year	79,807	182,239
Other assets	25,697	44,725
Subsequent year endowment distribution	228,822	198,428
	<u>6,366,635</u>	<u>6,787,605</u>
Liquidity resources		
Undrawn bank lines of credit (Note 12)	1,446,770	1,355,600
Funds functioning as endowment available for operations (Note 17)	<u>1,712,150</u>	<u>1,849,753</u>
Total liquidity resources	<u>3,158,920</u>	<u>3,205,353</u>
Total financial assets and liquidity resources available within one year	<u>\$ 9,525,555</u>	<u>\$ 9,992,958</u>

The University's cash flows have seasonal variations during the year attributable to tuition billing cycles and, at times, a concentration of contributions received at calendar year end. The University's Reserve and Liquidity Management Policy provides guidelines for calculating and reporting the global cash position on a daily basis as well as rigorous cash flow forecasting. This approach is adopted to maximize the portion of working capital funds that may remain invested. The Working Capital Fund Investment Policy (the Investment Policy) has a primary objective of aligning the maturity and liquidity profile of the working capital portfolio with the University's anticipated spending needs, while preserving the principal invested and maximizing return among a subset of approved investment grade products and providers. The Investment Policy establishes concentration limits for both investments and banking institutions. Liquidity resources are available with NYU board of trustees' approval.

As part of NYU Langone Health's liquidity management, financial assets are structured to be available as its general expenditures, liabilities and other obligations come due. In addition, NYU Langone Health may invest cash in excess of daily requirements in short-term or liquid investments.

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4. Patient Care Revenue and Receivable

Patient care revenue and receivables consist primarily of patient care services provided by NYU Langone Health. The University's College of Dentistry provides dental clinic services to patients as part of a student's training.

NYU Langone Health has agreements with third party payors that provide for payments at amounts different from its established rates (i.e. gross charges). Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments.

NYU Langone Health grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. NYU Langone Health bills patients and third-party payers several days after the services are performed and/or the patient is discharged. Patient care revenue is recognized as performance obligations are satisfied over time based on actual charges incurred in relation to total expected charges. Generally, performance obligations over time relate to patients receiving inpatient acute care services or patients receiving services in NYU Langone Health's outpatient and ambulatory care centers. NYU Langone Health measures the performance obligation from admission into the hospital or the commencement of an outpatient or physician service to the point when it is no longer required to provide services to that patient, which is generally the time of discharge or the completion of the outpatient or physician visit.

As substantially all of its performance obligations relate to contracts with a duration of less than one year, NYU Langone Health has elected to apply the optional exemption provided in ASC 606-10-50-14(a) *Revenue from Contracts with Customers* and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

NYU Langone Health determines the transaction price based on gross charges for services provided, reduced by adjustments provided to third-party payers based on contractual agreements, discounts provided to uninsured patients in accordance with NYU Langone Health's policy, and implicit concessions provided to uninsured patients. For the years ended August 31, 2022, and 2021, NYU Langone Health recorded \$133,566 and \$154,642 of implicit price concessions as a direct reduction to patient care revenue.

NYU's patient accounts receivable, after contractual adjustments and implicit price concessions, is \$1,215,720 and \$1,059,493 at August 31, 2022 and 2021, respectively. NYU Langone Health estimates its implicit price concessions using a quarterly standardized approach to review historical collections based on major payor classification as a practical expedient to account for patient contracts as collective groups rather than individually. Based on historical collection trends, the financial statement effects of using this practical expedient are not materially different from an individual contract approach. In addition, NYU Langone Health assesses the current state of its billing functions in order to identify any known collection or reimbursement issues and assess the impact, if any, on estimates. NYU Langone Health believes that the collectability of its receivables

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is directly linked to the quality of its billing processes, most notably those related to obtaining the correct information in order to bill effectively for the services it provides. Subsequent changes to the estimate of transaction price are recorded as adjustments to net patient care revenue in the period of the change. Certain patient care revenues received are subject to retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

NYU Langone Health has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payors for adjustments to current and prior year payment rates, based on industry-wide and hospital-specific data. The amounts due to third party payors included in accounts payable and accrued expenses on the consolidated balance sheets is \$140,281 and \$149,883 at August 31, 2022 and 2021, respectively. Additionally, certain payors' payment rates for various years have been appealed by NYU Langone Health. If the appeals are successful, additional income applicable to those years will be realized.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. NYU Langone Hospitals' cost reports have been audited by the Medicare fiscal intermediary through August 31, 2016; however, final settlements are pending for 2003 and 2004. NYU Langone Hospital-Brooklyn's cost reports have been audited by the Medicare fiscal intermediary through December 31, 2015; however, final settlements are pending for the years 2008 to 2013. NYU Langone Hospital-Long Island's Medicare cost reports have been audited by the Medicare fiscal intermediary through July 31, 2019, and there are no final settlements pending. LICH's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2019.

The mix of patient care revenue for the years ended August 31, 2022 and 2021 are as follows:

	2022		2021	
	Health System	NYUGSoM	Health System	NYUGSoM
Medicare	18 %	17 %	18 %	18 %
Medicaid	2	1	2	1
Medicare and Medicaid managed care	22	14	20	14
Blue Cross	26	20	26	18
Managed care and other	32	48	34	49
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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The mix of patient accounts receivable, net from patients and third party payors at August 31, 2022 and 2021 are as follows:

	2022		2021	
	Health System	NYUGSoM	Health System	NYUGSoM
Medicare	9 %	12 %	9 %	13 %
Medicaid	2	1	1	1
Medicare and Medicaid managed care	21	15	19	15
Blue Cross	26	21	28	19
Managed care and other	42	51	43	52
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

NYU Langone Health's charity care policy, in accordance with the New York State Department of Health's guidelines, ensures the provision of quality health care to the community served while carefully considering the ability of the patient to pay. The policy has sliding fee schedules for inpatient, ambulatory and emergency services provided to the uninsured and under-insured patients that qualify. Patients are eligible for the charity care fee schedule if they meet certain income tests. Since payment of the difference between NYU Langone Health's standard charges and the charity care fee schedules is not sought, these forgone charges for charity care are not reported as revenue. Total forgone charges for charity care totaled \$120,516 and \$101,318 for the years ended August 31, 2022 and 2021, respectively. This equated to an approximate cost of \$22,084 and \$19,297 for the years ended August 31, 2022 and 2021, respectively which is based on a ratio of cost to charges.

New York State regulations provide for the distribution of funds from an indigent care pool, which is intended to partially offset the cost of uncompensated care and service provided to uninsured. The funds are distributed to NYU Langone Health based on an uninsured methodology. Subsidy payments recognized as revenue amounted to approximately \$46,128 and \$49,408 for the years ended August 31, 2022 and 2021, respectively, and are included in patient care revenue in the consolidated statements of activities. NYU Langone Health has paid \$70,146 and \$63,004 into the indigent care pool for the years ended August 31, 2022 and 2021, respectively.

5. Investments

Asset Classes

NYU invests across a broad range of asset classes, including public equity, fixed income, hedge funds, credit, real assets, private equity, real estate, and cash and other. NYU may invest directly in the securities of these asset classes, or indirectly through interests in funds and limited partnerships. Securities held directly by NYU are valued at their observable market prices. The value of holdings in funds and limited partnerships are in accordance with the valuations provided by their investment managers. Funds and limited partnerships may make investments in securities that are publicly traded, which are generally valued based on observable market prices. Managers of investment funds and limited partnerships value those investments based upon the best information available for a given circumstance and may incorporate assumptions that are the investment manager's best estimates after consideration of a variety of internal and external factors.

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

Public Equity

Public equity consists of publicly-traded equity, mutual funds, and other commingled funds (which may include passive index exposure).

Fixed Income

Fixed income includes investments in securities such as U.S. government securities, non-U.S. sovereign bonds, and corporate and asset-backed securities.

Real Assets

Real assets include public and private investments in real asset funds.

Cash and Other

Cash and other predominantly includes cash and cash equivalents.

Hedge Funds

Hedge funds include investments with managers who invest across different strategies such as long and short equity, multi-strategy, event driven and relative value funds. These managers typically employ some leverage.

Credit

Credit includes public and private investments in strategies including distressed debt and special situations.

Private Equity

Private equity investments include limited partnership investments in funds pursuing strategies in corporate buyouts, growth equity, and venture capital.

Real Estate

Real estate includes public and private investments in real estate funds.

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The following tables summarize the fair value of investments at August 31, 2022 and 2021:

	2022			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Long-term investments-investment pool				
Public equity	\$ 1,284,792	\$ -	\$ -	\$ 1,284,792
Fixed income	-	366,606	-	366,606
Real assets	16,768	-	-	16,768
Cash and other	123,227	-	-	123,227
	<u>1,424,787</u>	<u>366,606</u>	<u>-</u>	<u>1,791,393</u>
Alternative investments measured at NAV as a practical expedient				<u>3,505,993</u>
Subtotal investment pool				<u>5,297,386</u>
Other long-term investments				
Public equity	1,103,060	2,701	-	1,105,761
Fixed income	65,230	-	-	65,230
Cash and other	7,097	-	4,080	11,177
Subtotal other long-term investments	<u>1,175,387</u>	<u>2,701</u>	<u>4,080</u>	<u>1,182,168</u>
Total long-term investments	<u>\$ 2,600,174</u>	<u>\$ 369,307</u>	<u>\$ 4,080</u>	<u>\$ 6,479,554</u>
Short-term investments				
Cash and other	\$ 175,945	\$ -	\$ -	\$ 175,945
Total short-term investments	<u>\$ 175,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,945</u>
2021				
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Long-term investments-investment pool				
Public equity	\$ 1,442,361	\$ -	\$ -	\$ 1,442,361
Fixed income	-	377,629	-	377,629
Real assets	23,483	-	-	23,483
Cash and other	177,070	-	-	177,070
	<u>1,642,914</u>	<u>377,629</u>	<u>-</u>	<u>2,020,543</u>
Alternative investments measured at NAV as a practical expedient				<u>3,757,891</u>
Subtotal investment pool				<u>5,778,434</u>
Other long-term investments				
Public equity	805,368	2,780	-	808,148
Fixed income	499,746	-	-	499,746
Cash and other	4,078	-	3,460	7,538
Subtotal other long-term investments	<u>1,309,192</u>	<u>2,780</u>	<u>3,460</u>	<u>1,315,432</u>
Total long-term investments	<u>\$ 2,952,106</u>	<u>\$ 380,409</u>	<u>\$ 3,460</u>	<u>\$ 7,093,866</u>
Short-term investments				
Cash and other	\$ 193,532	\$ -	\$ -	\$ 193,532
Total short-term investments	<u>\$ 193,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,532</u>

Level 3 activity was not significant for either of the years ended August 31, 2022 or 2021.

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The following tables represent NYU's investments measured at NAV as a practical expedient by asset class and the respective liquidity terms as of August 31, 2022 and 2021:

2022				
Asset category	Redemption Frequency (if currently eligible)		Redemption Notice Period	Fair Value
Redeemable alternative investments				
Public equity	Daily, Weekly, Monthly, Quarterly, Annually		1 to 90 days	\$ 1,334,845
Hedge funds	Monthly, Quarterly, Semi-Annual, Annual, Bi-Annual		15 to 100 days	818,719
				<u>2,153,564</u>
Nonredeemable alternative investments				
	Remaining Life	Time to draw Commitment	Unfunded Commitments	Fair Value
Private equity	Up to 10 years	7-14 days	\$ 888,993	\$ 814,670
Credit	Up to 7 years	7-14 days	99,950	203,241
Real assets	Up to 3 years	7-14 days	2,682	57,832
Real estate	Up to 13 years	7-14 days	303,828	276,686
			<u>\$ 1,295,453</u>	<u>1,352,429</u>
				<u>\$ 3,505,993</u>

2021				
Asset category	Redemption Frequency (if currently eligible)		Redemption Notice Period	Fair Value
Redeemable alternative investments				
Public equity	Daily, Weekly, Monthly, Quarterly, Annually		1 to 180 days	\$ 1,733,289
Hedge funds	Monthly, Quarterly, Semi-Annual, Annual, Bi-Annual		15 to 100 days	980,005
				<u>2,713,294</u>
Nonredeemable alternative investments				
	Remaining Life	Time to draw Commitment	Unfunded Commitments	Fair Value
Private equity	Up to 10 years	7-14 days	\$ 517,673	\$ 579,211
Credit	Up to 8 years	7-14 days	159,553	170,280
Real assets	Up to 4 years	7-14 days	3,538	55,242
Real estate	Up to 12 years	7-14 days	157,165	239,864
			<u>\$ 837,929</u>	<u>1,044,597</u>
				<u>\$ 3,757,891</u>

NYU maintains an investment pool for its long-term investments which include its endowment and similar funds. The pool is managed to achieve the maximum long-term return given prudent risk parameters. NYU relies on a total return strategy, the objective of which is to achieve a long-term rate of return consisting of a combination of current income and capital appreciation, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. Investment return (realized and unrealized net gains or losses, interest and dividends) and the appropriation for the approved endowment distribution for board-designated endowment funds are reported as nonoperating activities in the consolidated statements of activities. Investment return and the appropriation for the approved endowment distribution for donor-restricted endowment funds are reported as changes in net assets with donor restrictions in the consolidated statements of activities.

NYU's Board of Trustees has authorized a spending policy designed to allow asset growth while providing a predictable flow of return to support activities. Distributions from the endowment to support activities (approximately 4.5% in 2022 and 2021) are based on a fixed percentage of the 12-quarter average market value. To preserve the endowment's purchasing power, caps may

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further limit spending as follows: 1) the distribution of endowment return to support activities may not exceed the prior year's distribution by more than 10%, unless the increase was the result of new gifts to the endowment, and 2) if the results of using only the average market value of either the final four quarters alone or the final eight quarters alone would be a decline in the distribution from the prior year's distribution, then the distribution may not exceed the previous year's level.

6. Accounts and Loans Receivable, Net

Accounts and loans receivable, net of allowances for uncollectable amounts, consist of the following at August 31, 2022 and 2021:

	2022	2021
Students and other	\$ 257,059	\$ 208,719
Grants and contracts	217,977	163,745
Student loans	77,764	84,278
FEMA award receivable	104,477	97,188
Housing loans and other loans to employees	59,258	67,202
Insurance premiums and recoveries (Note 13)	199,763	202,568
	<u>916,298</u>	<u>823,700</u>
Allowance for uncollectible amounts	(68,449)	(65,171)
Accounts and loans receivable, net	<u>\$ 847,849</u>	<u>\$ 758,529</u>

Student loans consist primarily of Federal advances to the University under Perkins and other Federal loan programs which totaled \$41,015 and \$48,226 at August 31, 2022 and 2021, respectively. NYU records a liability on its consolidated balance sheets for these advances within funds held for others.

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.

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

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

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7. Contributions Receivable

Contributions receivable consist of the following at August 31, 2022 and 2021:

	2022	2021
Amounts expected to be collected in		
Less than one year	\$ 279,816	\$ 274,933
One to five years	313,822	349,259
More than five years	149,588	128,984
	<u>743,226</u>	<u>753,176</u>
Discount	(29,295)	(27,073)
Allowance for uncollectible amounts	(91,715)	(87,999)
Contributions receivable, net	<u>\$ 622,216</u>	<u>\$ 638,104</u>

Contributions receivable activity for the years ended August 31, 2022 and 2021 is as follows:

	2022	2021
Contributions receivable, gross, beginning of year	\$ 753,176	\$ 505,100
New pledges received	178,243	477,173
Adjustments and write-offs	(6,803)	(10,490)
Pledge payments received	(181,390)	(218,607)
Contributions receivable, gross, end of year	<u>743,226</u>	<u>753,176</u>
Discount and allowance for uncollectible amounts	(121,010)	(115,072)
Contributions receivable, net, end of year	<u>\$ 622,216</u>	<u>\$ 638,104</u>

Conditional promises to give are not reported in the consolidated balance sheets and consist of the following as of August 31, 2022 and 2021:

	2022	2021
Bequests	\$ 791,304	\$ 748,154
Intentions to give	123,674	103,893
Conditional promises to give	323,871	331,861
	<u>\$ 1,238,849</u>	<u>\$ 1,183,908</u>

Expenses related to fundraising activities are \$57,563 and \$52,175 for the years ended August 31, 2022 and 2021, respectively.

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8. Other Assets

Other assets consist of the following at August 31, 2022 and 2021:

	2022	2021
Deferred compensation plan assets held for others	\$ 452,035	\$ 486,090
Prepaid expenses and deferred charges	208,351	195,761
Inventory	189,964	168,571
Intangible assets and goodwill	51,199	51,293
Third-party payor receivables	32,256	53,856
Split-interest agreements	36,553	43,008
Other	103,712	76,852
	<u>\$ 1,074,070</u>	<u>\$ 1,075,431</u>
Other assets		

Deferred compensation plan assets held for others represent employee contributions and investment return for NYU's 457(b) plans. A corresponding obligation is recorded within funds held for others on the consolidated balance sheets.

NYU invests in various retirement plan assets as part of the deferred compensation plans. In addition to the asset classes described in Note 5, investments held by the deferred compensation plans also include:

Variable Annuity

Variable annuity contracts invest in a variety of public equity securities to generate varying rates of return based on the underlying public equities.

Fixed Income Annuity

Fixed income annuities are used to purchase a guaranteed amount of future retirement benefits.

The following tables summarize the fair value of other assets at August 31, 2022 and 2021:

	2022			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Other financial instruments				
Split-interest agreements	\$ -	\$ -	\$ 36,553	\$ 36,553
Deferred compensation plan held for others				
Variable annuities	\$ 131,453	\$ 51,921	\$ -	\$ 183,374
Fixed income annuity	23,200	7,503	48,609	79,312
Public equity	187,551	1,798	-	189,349
Total deferred compensation plan assets held for others	<u>\$ 342,204</u>	<u>\$ 61,222</u>	<u>\$ 48,609</u>	<u>\$ 452,035</u>

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(in thousands of dollars)

	2021			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Other financial instruments				
Split-interest agreements	\$ -	\$ -	\$ 43,008	\$ 43,008
Deferred compensation plan held for others				
Variable annuities	\$ 142,935	\$ 63,539	\$ -	\$ 206,474
Fixed income annuity	24,037	7,825	41,675	73,537
Public equity	204,991	1,088	-	206,079
Total deferred compensation plan assets held for others	\$ 371,963	\$ 72,452	\$ 41,675	\$ 486,090

Level 3 activity was not significant for either of the years ended August 31, 2022 or 2021.

9. Deposits with Trustees

Deposits with Trustees include unexpended bond proceeds to fund various construction projects held by the trustee, the Dormitory Authority of the State of New York (DASNY), and debt service funds, consist of the following at August 31, 2022 and 2021:

	2022	2021
Construction funds held by DASNY	\$ 597,930	\$ 849,197
Debt service funds	90	48
Debt service reserve funds	23,929	15,885
Other	1,002	1,342
	<u>\$ 622,951</u>	<u>\$ 866,472</u>

The following tables summarize the fair value of deposits with trustees at August 31, 2022 and 2021 according to the asset categories defined in Note 5.

	2022			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Fixed income	\$ 432,955	\$ -	\$ -	\$ 432,955
Cash and other	189,996	-	-	189,996
Total deposits with trustees	<u>\$ 622,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 622,951</u>

	2021			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Fixed income	\$ 483,549	\$ -	\$ -	\$ 483,549
Cash and other	382,923	-	-	382,923
Total deposits with trustees	<u>\$ 866,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 866,472</u>

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(in thousands of dollars)

10. Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at August 31, 2022 and 2021:

	2022	2021
Land	\$ 403,038	\$ 384,458
Buildings and building improvements	14,831,709	14,137,946
Equipment	3,289,833	2,983,769
Finance leases	1,606,877	1,632,225
Construction in progress	<u>2,009,444</u>	<u>1,429,112</u>
	22,140,901	20,567,510
Less: Accumulated depreciation	<u>(8,616,814)</u>	<u>(7,666,817)</u>
Land, buildings, and equipment, net	<u>\$ 13,524,087</u>	<u>\$ 12,900,693</u>

Depreciation expense is \$968,151 and \$924,444 for the years ended August 31, 2022 and 2021, respectively.

In September 2020, NYUGSoM extended an existing lease in Manhattan for 30 years, resulting in a reclassification of the lease from an operating lease to a finance lease totaling \$743,300.

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(in thousands of dollars)

11. Leases

The components of lease expense included in the statements of activities consist of the following for the years ended August 31, 2022 and 2021:

	2022	2021
Lease cost		
Finance lease cost		
Amortization of right-of-use assets	\$ 89,946	\$ 89,283
Interest on finance lease obligations	63,840	61,976
Total finance lease cost	<u>153,786</u>	<u>151,259</u>
Operating lease cost	313,461	306,142
Short-term and variable lease costs	46,669	54,248
Total operating lease cost included in facilities costs	<u>360,130</u>	<u>360,390</u>
Total lease cost	<u>\$ 513,916</u>	<u>\$ 511,649</u>
Other information		
Cash paid for amounts included in the measurement of lease obligations		
Operating cash flows for operating leases	\$ 292,073	\$ 290,549
Operating cash flows for finance leases	63,840	59,728
Financing cash flows for finance leases	66,235	69,735
Right-of-use assets obtained		
In exchange for new operating lease obligations	\$ 249,270	\$ 148,514
In exchange for new finance lease obligations (Note 10)	50,243	809,818
Weighted-average remaining lease term		
Operating leases	18.2 years	18.7 years
Operating leases excluding ground lease through 2087	11.8 years	11.2 years
Finance leases	26.6 years	26.6 years
Weighted-average discount rate		
Operating leases	2.79 %	2.71 %
Finance leases	3.83 %	3.83 %

Aggregate future minimum lease payments under operating leases as of August 31, 2022 are as follows:

2023	\$ 290,885
2024	277,180
2025	268,918
2026	234,712
2027	210,414
Thereafter	<u>1,954,132</u>
Total minimum lease payments	3,236,241
Less: Imputed interest	<u>(919,255)</u>
Total operating lease obligation	<u>2,316,986</u>
Less: Deferred rent liability	<u>(162,764)</u>
Total operating right-to-use asset	<u>\$ 2,154,222</u>

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(in thousands of dollars)

12. Debt and Other Obligations

NYU has various bond issues outstanding, primarily issued through DASNY. The University and NYU Schools of Medicine are considered the legally obligated group for certain borrowings presented below as the "Obligated Group."

Debt and other obligations consist of the following at August 31, 2022 and 2021:

Issuer	2022				
	University	NYU Schools of Medicine	Total Obligated Group	Health System	Consolidated NYU
Dormitory Authority of the State of New York (DASNY)	\$ 3,696,789	\$ 808,785	\$ 4,505,574	\$ 794,135	\$ 5,299,709
New York University	245,581	57,096	302,677	-	302,677
NYU Langone Hospitals	-	-	-	2,039,751	2,039,751
Nassau County Local Economic Assistance Corporation	-	-	-	28,222	28,222
Brookhaven Local Development Corporation	-	-	-	83,866	83,866
Other obligations	167,638	1,268,851	1,436,489	375,692	1,812,181
Debt and other obligations	<u>\$ 4,110,008</u>	<u>\$ 2,134,732</u>	<u>\$ 6,244,740</u>	<u>\$ 3,321,666</u>	<u>\$ 9,566,406</u>

Issuer	2021				
	University	NYU Schools of Medicine	Total Obligated Group	Health System	Consolidated NYU
Dormitory Authority of the State of New York (DASNY)	\$ 3,811,174	\$ 831,736	\$ 4,642,910	\$ 820,457	\$ 5,463,367
New York University	256,431	61,350	317,781	-	317,781
NYU Langone Hospitals	-	-	-	2,039,298	2,039,298
Nassau County Local Economic Assistance Corporation	-	-	-	33,078	33,078
Other obligations	169,410	1,281,990	1,451,400	335,987	1,787,387
Debt and other obligations	<u>\$ 4,237,015</u>	<u>\$ 2,175,076</u>	<u>\$ 6,412,091</u>	<u>\$ 3,228,820</u>	<u>\$ 9,640,911</u>

In July 2021, DASNY issued \$212,695 of revenue bonds (Series 2021A) on behalf of the Obligated Group, with interest rates ranging from 0.66% to 2.23%, maturing serially through July 2041 and payable thereafter in annual sinking fund installments to maturity in 2051. The 2021A bonds maturing in July 2046 are payable in annual sinking fund installments from July 2042 to maturity. The 2021A bonds maturing in July 2051 are payable in annual sinking fund installments from July 2047 to maturity. In July 2021, DASNY issued \$37,305 of taxable bonds (Series 2021B) on behalf of the Obligated Group with interest rates ranging from 0.25% to 2.02%. The Series 2021B bonds mature serially from July 2022 through July 2031. The proceeds from the DASNY Series 2021A and Series 2021B were used to fund improvements on the Manhattan and Brooklyn campuses and repay certain lines of credit that were incurred to refund a portion of Series 2016A.

New York University

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The principal amounts outstanding for debt and other obligations consist of the following at August 31, 2022 and 2021:

			2022			
	University	NYU Schools of Medicine	Total Obligated Group	Health System	Consolidated NYU	
DASNY						
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of \$1,134)	\$ 78,819	\$ -	\$ 78,819	\$ -	\$	78,819
2001 Series 1 bonds, with an interest rate of 5.50%, maturing serially from July 2011, through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of \$1,532 and \$1,900)	52,591	43,676	96,267	-		96,267
Series 2012C taxable bonds, with interest rates ranging from 1.93% to 3.62%, maturing serially through July 2027	11,440	-	11,440	-		11,440
Series 2013B taxable bonds, with interest rates ranging from 2.33% to 5.25%, maturing serially through July 2028, payable thereafter in annual sinking fund installments to maturities in July 2033 and July 2043	21,480	-	21,480	-		21,480
Series 2014 bonds, with interest rate ranging from 2.00% to 5.00%, maturing serially through July 2032 and July 2036 (including premium of \$6,181)	-	-	-	66,316		66,316
Series 2014 S2 bonds, with interest rate ranging from 3.75% to 4.95%, maturing serially through July 2034 and July 2035 (including premium of \$11,651)	-	-	-	81,011		81,011
Series 2014A taxable bonds, with an interest rate of 2.59% maturing in July 2034, payable in annual sinking fund installments through July 2034	43,325	-	43,325	-		43,325
Series 2015 bonds, with interest rates ranging from 2.00% to 5.50%, maturing serially through July 2035, payable in annual sinking fund installments from July 2036 to July 2048 (including premium of \$53,181)	607,220	-	607,220	-		607,220
Series 2016A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially through July 2036 payable thereafter in annual sinking fund installments until July 2043 (including premiums of \$53,663 and \$18,896)	458,323	137,471	595,794	-		595,794
Series 2016B taxable bonds, with interest rates ranging from 1.20% to 5.00%, maturing serially through July 2022 payable thereafter in annual sinking fund installments until July 2046	141,090	29,970	171,060	-		171,060
Series 2016A bonds, with interest rates ranging from 3.53% to 4.77%, maturing serially to maturity in July 2040 and payable thereafter in annual sinking fund installments until July 2043 (including premium of \$17,557)	-	-	-	134,302		134,302
Series 2017A bonds, with interest rates ranging from 3.25% to 5.00%, maturing serially to maturity in July 2040 and payable thereafter in annual sinking fund installments until July 2047 (including premium of \$28,967 and \$18,347)	289,387	161,677	451,064	-		451,064
Series 2017B taxable bonds, with interest rates ranging from 1.60% to 4.15%, maturing serially to maturity in July 2032	163,804	50,406	214,210	-		214,210
Series 2018A bonds, with interest rates ranging from 3.25% to 5.00%, maturing serially through July 2048 payable thereafter in annual sinking fund installments (including premiums of \$28,402 and \$8,453)	287,892	76,523	364,415	-		364,415
Series 2018B taxable bonds, with interest rates ranging from 2.27% to 4.85%, maturing serially through July 2048 payable thereafter in annual sinking fund installments (including premiums of \$6,029 and \$2,526)	146,170	100,371	246,541	-		246,541
Series 2019A bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially through July 2049 payable thereafter in annual sinking fund installments (including premiums of \$71,254 and \$11,362)	581,380	87,167	668,547	-		668,547
Series 2019B-1 taxable bonds, with interest rates ranging from 2.76% to 4.29%, maturing serially through July 2044 payable thereafter in annual sinking fund installments	136,505	27,375	163,880	-		163,880
Series 2019B-2 taxable bonds, with an interest rate of 4.01% payable thereafter in annual sinking fund installments maturing on July 2049	77,925	5,245	83,170	-		83,170

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		2022			
	University	NYU Schools of Medicine	Total Obligated Group	Health System	Consolidated NYU
Series 2020A bonds, with interest rates ranging from 3.00% to 4.00% maturing serially through July 2053 (including net premiums of \$52,195)	-	-	-	518,500	518,500
Series 2020B taxable bonds, with interest rates ranging from 1.29% to 2.77%, maturing serially through July 2030 and payable thereafter in annual sinking fund installments to maturity in 2043	368,150	36,255	404,405	-	404,405
Series 2021A bonds, with interest rates ranging from 0.66% to 2.23%, maturing serially through July 2041 and payable thereafter in annual sinking fund installments to maturity in 2051 (including premiums of \$39,679 and \$9,951)	212,739	49,586	262,325	-	262,325
Series 2021B taxable bonds, with interest rates ranging from 0.25% to 2.02%, maturing serially through July 2031	29,965	4,495	34,460	-	34,460
Deferred financing costs	(11,416)	(1,432)	(12,848)	(5,994)	(18,842)
Subtotal of DASNY bonds	<u>3,696,789</u>	<u>808,785</u>	<u>4,505,574</u>	<u>794,135</u>	<u>5,299,709</u>
NYU					
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2018 through July 2032	11,019	57,486	68,505	-	68,505
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2018 through July 2032	16,830	-	16,830	-	16,830
Series 2015 taxable bonds, with interest rates ranging from 1.32% to 4.14%, maturing serially through July 2028, payable in annual sinking fund installments from July 2029 to July 2048	218,485	-	218,485	-	218,485
Deferred financing costs	(753)	(390)	(1,143)	-	(1,143)
Subtotal of NYU bonds	<u>245,581</u>	<u>57,096</u>	<u>302,677</u>	<u>-</u>	<u>302,677</u>
NYU Langone Hospitals					
Series 2012 taxable bonds, with an interest rate of 4.40%, maturing in July 2042 (including discount of \$690)	-	-	-	249,310	249,310
Series 2013 taxable bonds, with an interest rate of 5.75%, maturing in July 2043 (including discount of \$1,003)	-	-	-	348,997	348,997
Series 2014 taxable bonds, with an interest rate of 4.78%, maturing in July 2044 (including discount of \$921)	-	-	-	299,079	299,079
Series 2017A taxable bonds, with an interest rate ranging from 4.17% to 4.37%, maturing in August 2047	-	-	-	600,000	600,000
Series 2020B taxable bonds, with a fixed interest rate of 3.38% to maturity in July 2055 (including a discount of \$2,518)	-	-	-	548,507	548,507
Deferred financing costs	-	-	-	(6,142)	(6,142)
Subtotal of NYU Langone Hospitals bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,039,751</u>	<u>2,039,751</u>
Nassau County Local Economic Assistance Corporation					
Series 2014 taxable bonds, with an interest rate of 2.99%, maturing in July 2036	-	-	-	28,222	28,222
Subtotal of Nassau County Local Economic Assistance Corporation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,222</u>	<u>28,222</u>
Brookhaven Local Development Corporation					
Series 2020A taxable bond series, with varying interest rates of 4.2% to 5.0%, maturing in October 2050 (including premium of \$7,381)	-	-	-	66,516	66,516
Series 2020B taxable bond series, with varying interest rates of 5.5% to 6.0%, maturing in October 2030 (including premium of \$1,470)	-	-	-	17,350	17,350
Subtotal of Brookhaven Local Development Corporation	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,866</u>	<u>83,866</u>
Other obligations					
Mortgage loans	-	39,095	39,095	6,954	46,049
Commercial loans	-	-	-	14,277	14,277
Lines of credit	-	43,030	43,030	-	43,030
Finance leases (Note 10)	167,638	1,186,726	1,354,364	354,461	1,708,825
Subtotal of other obligations	<u>167,638</u>	<u>1,268,851</u>	<u>1,436,489</u>	<u>375,692</u>	<u>1,812,181</u>
Total amounts outstanding	<u>\$ 4,110,008</u>	<u>\$ 2,134,732</u>	<u>\$ 6,244,740</u>	<u>\$ 3,321,666</u>	<u>\$ 9,566,406</u>

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	2021				
	University	NYU Schools of Medicine	Total Obligated Group	Health System	Consolidated NYU
DASNY					
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of \$1,560)	\$ 92,335	\$ -	\$ 92,335	\$ -	\$ 92,335
2001 Series 1 bonds, with an interest rate of 5.50%, maturing serially from July 2011, through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of \$1,676 and \$2,007)	54,378	45,126	99,504	-	99,504
Series 2012C taxable bonds, with interest rates ranging from 1.93% to 3.62%, maturing serially through July 2027	13,590	-	13,590	-	13,590
Series 2013B taxable bonds, with interest rates ranging from 2.33% to 5.25%, maturing serially through July 2028, payable thereafter in annual sinking fund installments to maturities in July 2033 and July 2043	22,845	-	22,845	-	22,845
Series 2014 bonds, with interest rate ranging from 2.00% to 5.00%, maturing serially through July 2032 and July 2036 (including premium of \$6,626)	-	-	-	70,001	70,001
Series 2014 S2 bonds, with interest rate ranging from 3.75% to 4.95%, maturing serially through July 2034 and July 2035 (including premium of \$12,547)	-	-	-	96,107	96,107
Series 2014A taxable bonds, with an interest rate of 2.59% maturing in July 2034, payable in annual sinking fund installments through July 2034	46,365	-	46,365	-	46,365
Series 2015 bonds, with interest rates ranging from 2.00% to 5.50%, maturing serially through July 2035, payable in annual sinking fund installments from July 2036 to July 2048 (including premium of \$57,212)	627,887	-	627,887	-	627,887
Series 2016A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially through July 2036 payable thereafter in annual sinking fund installments until July 2043 (including premiums of \$58,361 and \$19,689)	465,701	141,899	607,600	-	607,600
Series 2016B taxable bonds, with interest rates ranging from 1.20% to 5.00%, maturing serially through July 2022 payable thereafter in annual sinking fund installments until July 2046	152,000	29,970	181,970	-	181,970
Series 2016A bonds, with interest rates ranging from 3.53% to 4.77%, maturing serially to maturity in July 2040 and payable thereafter in annual sinking fund installments until July 2043 (including premium of \$18,546)	-	-	-	140,276	140,276
Series 2017A bonds, with interest rates ranging from 3.25% to 5.00%, maturing serially to maturity in July 2040 and payable thereafter in annual sinking fund installments until July 2047 (including premium of \$32,654 and \$19,089)	305,108	165,565	470,673	-	470,673
Series 2017B taxable bonds, with interest rates ranging from 1.60% to 4.15%, maturing serially to maturity in July 2032	167,299	50,406	217,705	-	217,705
Series 2018A bonds, with interest rates ranging from 3.25% to 5.00%, maturing serially through July 2048 payable thereafter in annual sinking fund installments (including premiums of \$30,940 and \$8,780)	298,075	78,716	376,791	-	376,791
Series 2018B taxable bonds, with interest rates ranging from 2.27% to 4.85%, maturing serially through July 2048 payable thereafter in annual sinking fund installments (including premiums of \$6,301 and \$2,624)	146,440	102,053	248,493	-	248,493
Series 2019A bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially through July 2049 payable thereafter in annual sinking fund installments (including premiums of \$76,182 and \$11,786)	595,287	87,591	682,878	-	682,878
Series 2019B-1 taxable bonds, with interest rates ranging from 2.76% to 4.29%, maturing serially through July 2044 payable thereafter in annual sinking fund installments	136,505	33,580	170,085	-	170,085
Series 2019B-2 taxable bonds, with an interest rate of 4.01% payable thereafter in annual sinking fund installments maturing on July 2049	77,925	5,245	83,170	-	83,170

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	2021				
	University	NYU Schools of Medicine	Total Obligated Group	Health System	Consolidated NYU
Series 2020A bonds, with interest rates ranging from 3.00% to 4.00% maturing serially through July 2053 (including net premiums of \$54,070)	-	-	-	520,374	520,374
Series 2020B taxable bonds, with interest rates ranging from 1.29% to 2.77%, maturing serially through July 2030 and payable thereafter in annual sinking fund installments to maturity in 2043	375,060	37,830	412,890	-	412,890
Series 2021A bonds, with interest rates ranging from 0.66% to 2.23%, maturing serially through July 2041 and payable thereafter in annual sinking fund installments to maturity in 2051 (including premiums of \$41,737 and \$10,295)	214,797	49,930	264,727	-	264,727
Series 2021B taxable bonds, with interest rates ranging from 0.25% to 2.02%, maturing serially through July 2031	31,965	5,340	37,305	-	37,305
Deferred financing costs	(12,388)	(1,515)	(13,903)	(6,301)	(20,204)
Subtotal of DASNY bonds	<u>3,811,174</u>	<u>831,736</u>	<u>4,642,910</u>	<u>820,457</u>	<u>5,463,367</u>
NYU					
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2018 through July 2032	11,842	61,778	73,620	-	73,620
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2018 through July 2032	18,085	-	18,085	-	18,085
Series 2015 taxable bonds, with interest rates ranging from 1.32% to 4.14%, maturing serially through July 2028, payable in annual sinking fund installments from July 2029 to July 2048	227,335	-	227,335	-	227,335
Deferred financing costs	(831)	(428)	(1,259)	-	(1,259)
Subtotal of NYU bonds	<u>256,431</u>	<u>61,350</u>	<u>317,781</u>	<u>-</u>	<u>317,781</u>
NYU Langone Hospitals					
Series 2012 taxable bonds, with an interest rate of 4.40%, maturing in July 2042 (including discount of \$724)	-	-	-	249,276	249,276
Series 2013 taxable bonds, with an interest rate of 5.75%, maturing in July 2043 (including discount of \$1,051)	-	-	-	348,949	348,949
Series 2014 taxable bonds, with an interest rate of 4.78%, maturing in July 2044 (including discount of \$963)	-	-	-	299,037	299,037
Series 2017A taxable bonds, with an interest rate ranging from 4.17% to 4.37%, maturing in August 2047	-	-	-	600,000	600,000
Series 2020B taxable bonds, with a fixed interest rate of 3.38% to maturity in July 2055 (including a discount of \$2,594)	-	-	-	548,431	548,431
Deferred financing costs	-	-	-	(6,395)	(6,395)
Subtotal of NYU Langone Hospitals bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,039,298</u>	<u>2,039,298</u>
Nassau County Local Economic Assistance Corporation					
Series 2012 taxable bonds with varying interest rates of 3.00% to 5.00%, maturing in July 2042	-	-	-	3,260	3,260
Series 2014 taxable bonds, with an interest rate of 2.99%, maturing in July 2036	-	-	-	29,818	29,818
Subtotal of Nassau County Local Economic Assistance Corporation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,078</u>	<u>33,078</u>
Other obligations					
Mortgage loans	-	40,730	40,730	11,562	52,292
Commercial loans	-	-	-	24,081	24,081
Lines of credit	-	44,400	44,400	-	44,400
Finance leases (Note 10)	169,410	1,196,860	1,366,270	300,344	1,666,614
Subtotal of other obligations	<u>169,410</u>	<u>1,281,990</u>	<u>1,451,400</u>	<u>335,987</u>	<u>1,787,387</u>
Total amounts outstanding	<u>\$ 4,237,015</u>	<u>\$ 2,175,076</u>	<u>\$ 6,412,091</u>	<u>\$ 3,228,820</u>	<u>\$ 9,640,911</u>

Interest expense on debt and other obligations totaled \$368,647 and \$368,152 for the years ended August 31, 2022 and 2021, respectively. This excludes \$18,934 and \$14,516 of interest capitalized (net of income earned on deposits with bond trustees) for the years ended August 31, 2022 and 2021, respectively, which is included in land, buildings, and equipment, net.

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NYU enters into various debt and other loan agreements that are secured by specific revenue streams, collateral and other real property or improvements, in addition to issuing debt supported by a general obligation of the University, any of which may constrain the use of certain assets. Other agreements include covenants requiring that NYU Langone Hospitals maintains certain financial ratios. At August 31, 2022 and 2021, the Obligated Group and NYU Langone Hospitals is compliant with all financial and administrative covenants.

Obligations with Financial Institutions

At August 31, 2022 and 2021, the Obligated Group has three contractually committed bank credit agreements which total \$800,000. As of August 31, 2022, these agreements expire from February 2023 to May 2025. The interest is accrued at rates based on LIBOR, the Bloomberg Short-Term Bank Yield Index, and the Secured Overnight Financing Rate. The amounts outstanding under these agreements are \$43,030 and \$44,400 as of August 31, 2022 and 2021, respectively.

At August 31, 2022, NYU Langone Hospitals has four unsecured lines of credit which total \$689,800 and expire from August 2023 to May 2024. At August 31, 2021, NYU Langone Hospitals has three unsecured lines of credit which total \$600,000 and expire from August 2023 to May 2024. The interest is accrued at rates based on LIBOR. There were no amounts outstanding as of August 31, 2022 and 2021, respectively.

Future Principal Payments

The aggregate required principal payments on all debt and other obligations, including capital leases, for each of the next five fiscal years, and thereafter to maturity, are as follows:

Year Ending August 31,	Debt and Other Obligations	Finance Leases	Total
2023	\$ 160,271	\$ 109,390	\$ 269,661
2024	168,184	99,694	267,878
2025	210,981	95,441	306,422
2026	178,449	95,335	273,784
2027	183,025	90,786	273,811
Thereafter	<u>6,536,219</u>	<u>2,406,297</u>	<u>8,942,516</u>
	7,437,129	2,896,943	10,334,072
Unamortized premiums and discounts, net	446,579	-	446,579
Unamortized deferred financing costs	(26,127)	-	(26,127)
Less: Imputed interest	-	(1,188,118)	(1,188,118)
	<u>\$ 7,857,581</u>	<u>\$ 1,708,825</u>	<u>\$ 9,566,406</u>

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13. Professional Liabilities

NYU Langone Hospitals' professional liabilities are reported on a discounted basis and comprise estimates for known reported losses and loss expenses plus a provision for losses incurred but not reported. Losses are actuarially determined and are based on the loss experience of the insured. In management's opinion, recorded reserves for both self-insured and commercially 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.

Professional liabilities consist of the following as of August 31, 2022 and 2021:

	2022	2021
CCC550 professional liabilities	\$ 771,867	\$ 723,868
Self-insured liabilities	50,900	53,501
Commercially insured liabilities	63,062	70,541
LICH self-insured liabilities	31,400	-
Professional liabilities	<u>\$ 917,229</u>	<u>\$ 847,910</u>

NYU Langone Hospitals is self-insured for professional and general liabilities on an occurrence basis through CCC550. Beginning July 1, 2017, NYU Langone Hospital-Long Island and certain of its physicians are also self-insured through CCC550. Prior to July 1, 2017, NYU Langone Hospital-Long Island was self-insured for professional liabilities and designated funds in a revocable trust for satisfaction of claims and expenses. LICH is self-insured for professional liabilities on a claims-made basis. In addition, LICH maintains excess professional and general liability coverage through a third-party insurance company.

CCC550 provides insurance coverage to certain voluntary attending physicians and other non-employed physicians serving NYUGSoM and NYU Langone Hospitals. The cost of this insurance coverage is the responsibility of such physicians.

Assets held for professional liabilities consist of the following at August 31, 2022 and 2021:

	2022	2021
Assets held by CCC550	\$ 899,260	\$ 858,650
Self-insurance trust	51,736	55,477
Assets held for professional liabilities	<u>\$ 950,996</u>	<u>\$ 914,127</u>

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The following tables summarize the fair value of assets held for professional liabilities at August 31, 2022 and 2021 according to the asset categories defined in Note 5:

	2022			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Fixed income	\$ 51,736	\$ 726,287	\$ -	\$ 778,023
Equity	135,376	-	-	135,376
Cash and other	37,597	-	-	37,597
Total assets held for professional liabilities	<u>\$ 224,709</u>	<u>\$ 726,287</u>	<u>\$ -</u>	<u>\$ 950,996</u>

	2021			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Fixed income	\$ 55,477	\$ 833,053	\$ -	\$ 888,530
Cash and other	25,597	-	-	25,597
Total assets held for professional liabilities	<u>\$ 81,074</u>	<u>\$ 833,053</u>	<u>\$ -</u>	<u>\$ 914,127</u>

Commercially insured liabilities primarily relate to policies purchased by NYU Langone Hospital-Brooklyn and NYU Langone Hospital-Long Island (for certain of its physicians) covering periods prior to October 1, 2015 and July 1, 2017, respectively. NYU Langone Hospitals recorded a corresponding insurance recovery receivable for claims covered by these policies within accounts and loans receivable, net on the consolidated balance sheets (Note 6).

14. Pension Plans and Other Postretirement Benefits

Pension Plans

Substantially all NYU employees are covered by retirement plans including various defined contribution plans, multi-employer defined benefit plans, and three NYU-sponsored benefit plans.

Defined Contribution Plans

Contributions to the defined contribution plans are based on rates required by union contracts or other contractual arrangements. Contributions of \$302,766 and \$262,571 in 2022 and 2021, respectively, are reported as expenses in the consolidated statements of activities. There is no obligation on the consolidated balance sheets for these plans.

Multi-Employer Defined Benefit Plans

Contributions to the multi-employer defined benefit plans are based on rates required by union contracts and other contractual arrangements. Contributions of \$229,544 and \$199,920 in 2022 and 2021, respectively, are reported as expenses in the consolidated statements of activities. There is no obligation on the consolidated balance sheets for these plans.

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Defined Benefit Plans

Contributions to the three defined benefit plans are intended to provide benefits attributed to service to date, as well as for those expected to be earned in the future. Contributions are made in amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 as amended under the Pension Protection Act of 2006 (ERISA), plus such additional amounts as the sponsors may deem appropriate. Pension benefits under these defined benefit plans are based on participants' final average compensation levels and years of service and are accrued during the period the employees provide service to NYU. Contributions of \$16,699 and \$63,001 in 2022 and 2021, respectively, are reported as a reduction in the accrued benefit obligation on the consolidated balance sheets for these plans.

Postretirement Benefits

NYU has three defined benefit health and welfare plans that provide certain health care and life insurance benefits for eligible retired employees. NYU employees may become eligible for these benefits if they reach the age and service requirements of the plan while working for NYU. The costs related to these plans are accrued during the period the employees provide service to NYU. Contributions of \$28,178 and \$26,133 in 2022 and 2021, respectively, are reported as a reduction in the accrued postretirement obligation on the consolidated balance sheets for these plans.

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

Plans' Funded Status

	Defined Benefit Pension Plans		Postretirement Benefit Plans	
	2022	2021	2022	2021
Change in benefit obligation				
Benefit obligation as of beginning of year	\$ 2,892,896	\$ 2,806,713	\$ 850,054	\$ 943,159
Service cost	59,031	57,693	22,395	29,326
Interest cost	70,614	67,737	23,775	23,635
Actuarial (gain) loss	(698,354)	55,281	(169,265)	(57,811)
Benefits paid	(108,705)	(93,203)	(30,310)	(31,789)
Participant contributions	-	-	7,947	7,333
Retiree drug subsidy receipts	-	-	908	1,772
Administrative expenses	(1,448)	(1,325)	-	-
Plan amendments	-	-	-	(65,571)
Benefit obligation as of end of year	<u>2,214,034</u>	<u>2,892,896</u>	<u>705,504</u>	<u>850,054</u>
Change in fair value of plan assets				
Fair value of plan assets as of beginning of year	2,355,449	1,998,857	217,344	172,599
Actual return on plan assets	(446,679)	388,119	(29,301)	41,296
Employer contributions	16,699	63,001	28,178	26,133
Benefits paid	(108,705)	(93,203)	(30,310)	(31,789)
Participant contributions	-	-	7,947	7,333
Retiree drug subsidy receipts	-	-	908	1,772
Administrative expenses	(1,448)	(1,325)	-	-
Fair value of plan assets, end of year	<u>1,815,316</u>	<u>2,355,449</u>	<u>194,766</u>	<u>217,344</u>
Accrued benefit obligation	<u>\$ 398,718</u>	<u>\$ 537,447</u>	<u>\$ 510,738</u>	<u>\$ 632,710</u>
Benefit obligation range of assumptions as of August 31				
Discount rate	4.70% - 4.95%	2.87% - 3.15%	4.65% - 4.91%	2.80% - 2.95%
Rate of increase in compensation levels	2.91% - 5.00%	2.91% - 5.00%	N/A	N/A

The accumulated benefit obligation for the defined benefit pension plans is \$2,078,546 and \$2,681,560 at August 31, 2022 and 2021, respectively.

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Net Periodic Benefit Cost

	Defined Benefit Pension Plans		Postretirement Benefit Plans	
	2022	2021	2022	2021
Components of net periodic benefit cost				
Operating expense				
Service cost in salary and fringe	\$ 59,031	\$ 57,693	\$ 22,395	\$ 29,326
Nonoperating expense				
Interest cost	70,614	67,737	23,775	23,635
Expected return on plan assets	(147,122)	(137,365)	(13,014)	(10,329)
Amortization of prior service cost (credit)	-	2	(4,113)	92
Amortization of actuarial loss	32,723	37,422	10,966	10,768
One-time curtailment loss	-	-	-	1,761
Total non-service costs	<u>(43,785)</u>	<u>(32,204)</u>	<u>17,614</u>	<u>25,927</u>
Net periodic benefit cost	<u>\$ 15,246</u>	<u>\$ 25,489</u>	<u>\$ 40,009</u>	<u>\$ 55,253</u>
Other changes recognized in net assets without donor restrictions				
Actuarial net gain arising during period	\$ (104,554)	\$ (195,473)	\$ (126,949)	\$ (88,778)
Amortization of prior service (cost) credit	-	(2)	4,113	(2,174)
Amortization of actuarial loss	(32,723)	(37,422)	(10,966)	(10,768)
Prior service credit	-	-	-	(65,236)
Total changes in pension and postretirement obligations	<u>\$ (137,277)</u>	<u>\$ (232,897)</u>	<u>\$ (133,802)</u>	<u>\$ (166,956)</u>
Net periodic benefit cost range of assumptions				
Discount rate	2.32% - 3.15%	2.32% - 3.27%	2.80% - 2.95%	2.75% - 2.89%
Rate of increase in compensation levels	2.91% - 5.00%	2.91% - 3.00%	N/A	N/A
Expected long-term rate of return on plan assets	6.00% - 7.00%	6.00% - 7.00%	6.00% - 7.00%	6.00% - 7.00%
Initial healthcare cost trend	N/A	N/A	6.50% - 9.19%	4.75% - 7.80%
Ultimate retiree health-care cost trend	N/A	N/A	4.50%	4.50%
Year ultimate trend rate is achieved	N/A	N/A	2024-2031	2024-2031

Actuarial gains were the result of asset returns in excess of planned return as well as changes in discount rates and plan experience for the year ended August 31, 2022 and 2021.

Amounts not yet reflected in net periodic benefit cost and included in net assets without donor restrictions for the defined benefit pension plans totaled \$291,989 and \$429,266 for the years ended August 31, 2022 and 2021, respectively. Amounts not yet reflected in net periodic benefit cost and included in net assets without donor restrictions for the postretirement benefit plans totaled \$(50,274) and \$83,528 for the years ended August 31, 2022 and 2021, respectively.

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Plan Assets

The following table presents the fair value of the defined benefit plan investments at August 31, 2022 and 2021 according to the asset categories defined in Note 5:

	2022			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Public equity	\$ 821,255	\$ 260,154	\$ -	\$ 1,081,409
Fixed income	396,333	247,713	-	644,046
Real estate	17,484	-	-	17,484
Cash and other	71,853	-	-	71,853
	<u>\$ 1,306,925</u>	<u>\$ 507,867</u>	<u>\$ -</u>	<u>1,814,792</u>
Alternative investments measured at NAV as a practical expedient				<u>524</u>
				<u>\$ 1,815,316</u>

	2021			Total
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Public equity	\$ 1,037,161	\$ 339,858	\$ -	\$ 1,377,019
Fixed income	521,732	326,417	-	848,149
Real estate	20,865	-	-	20,865
Cash and other	108,076	-	-	108,076
	<u>\$ 1,687,834</u>	<u>\$ 666,275</u>	<u>\$ -</u>	<u>2,354,109</u>
Alternative investments measured at NAV as a practical expedient				<u>1,340</u>
				<u>\$ 2,355,449</u>

The defined benefit pension assets seek to: (1) provide retirement benefits to its participants and beneficiaries; and (2) achieve full funding of the pension liability, while incurring an acceptable level of risk for the sponsor. The pension liability growth rate together with the objective to achieve and maintain a fully-funded level over a reasonable timeline implies a minimum absolute rate of return to be met through either: (1) annual budgeted contributions, (2) pension assets growth, (3) plan de-risking improvements, or (4) a combination thereof.

The strategy for achieving and maintaining a fully funded pension liability may vary with the prevailing funded level and other parameters related to the overall goal. The asset allocation process is designed to be dynamic and employ a liability-driven, glide path investment strategy, which reframes risk and performance relative to the pension liability. This approach is expected to enable pension assets to more reliably track the value of the pension liability, with less funded level

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volatility, than a static total-return investment. Broad target allocations at the current funded level are 55-75% return-seeking assets, such as equity and real estate (REIT) funds, and 25-45% liability-hedging assets, such as fixed income funds. The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, weighing the asset class returns by the plans' investment in each class, and taking into account expected volatility and correlation between the returns of various asset classes. Working with our actuary, NYU management believes 6% - 7% is a reasonable estimate of long-term rates of return on plan assets for 2022 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

The following table presents the fair value of the postretirement benefit plan investments at August 31, 2022 and 2021 according to the asset categories defined in Note 5:

	2022			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Public equity	\$ 128,620	\$ -	\$ -	\$ 128,620
Fixed income	55,844	10,174	-	66,018
Cash and other	128	-	-	128
	<u>\$ 184,592</u>	<u>\$ 10,174</u>	<u>\$ -</u>	<u>\$ 194,766</u>

	2021			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Public equity	\$ 142,301	\$ -	\$ -	\$ 142,301
Fixed income	60,789	14,136	-	74,925
Cash and other	118	-	-	118
	<u>\$ 203,208</u>	<u>\$ 14,136</u>	<u>\$ -</u>	<u>\$ 217,344</u>

The plans' investment objectives seek a long-term total rate of return to meet NYU's current and future plan obligations.

The postretirement benefit plan target asset allocation mix is 70% equity and 30% fixed income and cash, for which each asset class has a permitted range of +/- 10%.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes that 6%-7% is a reasonable range of long-term rates of return on plan assets for 2022 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

Contributions

NYU determines the annual contributions to the plans based upon calculations prepared by the plans' actuaries. Total expected contributions for the defined benefit pension plans and other postretirement benefit plans in fiscal year 2023 are \$17,450 and \$32,753, respectively.

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Benefit Payments

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

	Defined Benefit Pension Plans	Postretirement Benefit Plans
Year Ending August 31,		
2023	\$ 102,424	\$ 31,659
2024	107,982	33,286
2025	113,151	34,718
2026	118,762	36,623
2027	124,044	38,730
2028-2032	692,612	222,682

Multi-Employer Benefit Plans

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

NYU's contributions to the following multi-employer defined benefit pension and postretirement plans are reported as salary and fringe expenses in the consolidated statements of activities for the years ended August 31, 2022 and 2021:

	2022	2021
1199 SEIU Health Care Employees Health & Welfare Fund	\$ 143,426	\$ 117,710
1199 SEIU Health Care Employees Pension Fund	57,130	55,369
United Federation of Teachers Welfare Fund	19,992	18,381
Local 810 United Wire, Metal & Machine Health & Welfare Fund	5,172	4,812
Local 810 United Wire, Metal & Machine Pension Fund	3,542	3,381
Local 30 Pension Fund	228	213
Local 153 Pension Fund	54	54
	<u>\$ 229,544</u>	<u>\$ 199,920</u>

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The Pension Protection Act zone status indicates the plan's funded status of either at least 80% funded (green) or less than 80% funded (yellow or red). A zone status of red requires the plan sponsor to implement a Funding Improvement Plan (FIP) or Rehabilitation Plan (RP). The following table includes information for related pension funds for the plan years ended December 31, 2021 and 2020.

Pension Plan Name	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2021	2020			
1199 Pension Fund	13-3604862	Green	Green	N/A	No	September 2024
Local 810 United Wire Pension Fund	13-6596940	Red	Red	Yes	Yes	June 2024
Local 30 Pension Fund	51-6045848	Green	Green	N/A	No	June 2021
Local 153 Pension Fund	13-2864289	Red	Red	Yes	N/A	December 2026

NYU's contributions to the Local 810 United Wire Pension Fund represent greater than 5% of total plan contributions, based on the most recent Form 5500 available. NYU is in withdrawal status for the Local 153 Pension Fund with quarterly withdrawal payments continuing through 2033.

15. Hospital Affiliations

NYUGSoM has three affiliation agreements with the New York City Health and Hospitals Corporation (the Corporation) to provide general care and mental health services. The three agreements are with Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center, Bellevue Hospital Center and Gouverneur Healthcare Services, and Coler Rehabilitation and Nursing Care Center and Henry J. Carter Specialty Hospital and Nursing Facility. The current affiliation agreements cover the period July 1, 2021 through June 30, 2025. NYUGSoM recognized revenues from these affiliation agreements of \$421,490 and \$388,202 for the years ended August 31, 2022 and 2021, respectively.

NYU Langone Hospitals has several clinical affiliation agreements with New York City area hospitals where physicians provide patient care and supervision of residents at affiliated organizations. NYU Langone Hospitals also maintains an affiliation agreement with Sunset Park Health Council, Inc., a New York not-for-profit corporation, d/b/a Family Health Centers at NYU Langone. NYU Langone Hospitals recognized revenue from these affiliation agreements of \$27,337 and \$27,153 for the years ended August 31, 2022 and 2021, respectively.

16. Functional Classification of Expenses

NYU's primary program services are instruction, research and patient care. NYU's additional program services are student services and libraries and auxiliary enterprises. Expenses reported as institutional services are incurred in support of one or more of NYU's program services. Natural expenses attributed to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort. Non-clinical COVID-19 costs in non-operating activities of \$37,792 and \$110,482 are classified as institutional services for the years ended August 31, 2022 and 2021, respectively.

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Expenses by functional classification for the years ended August 31, 2022 and 2021 consist of the following:

	2022						
	Instruction and Other Academic Programs	Research and Other Sponsored Programs	Patient Care	Student Services and Libraries	Auxiliary Enterprises	Institutional Services	Total
Salary and fringe	\$ 1,477,844	\$ 613,201	\$ 5,059,729	\$ 137,527	\$ 127,921	\$ 978,441	\$ 8,394,663
Medical and pharmaceutical costs	86	1,072	1,476,271	2	-	-	1,477,431
Professional services	134,027	33,966	262,464	19,353	61,731	225,639	737,180
Facilities costs	124,777	176,427	164,444	13,450	234,268	190,877	904,243
Fees, insurance and taxes	6,139	408	257,635	1,668	13,090	181,510	460,450
Depreciation and amortization expense	91,257	39,189	479,112	17,394	99,763	219,196	945,911
Interest expense	103,082	8,713	146,801	5,875	38,509	65,667	368,647
Other	162,735	268,082	129,654	53,430	10,598	194,175	818,674
	<u>\$ 2,099,947</u>	<u>\$ 1,141,058</u>	<u>\$ 7,976,110</u>	<u>\$ 248,699</u>	<u>\$ 585,880</u>	<u>\$ 2,055,505</u>	<u>\$ 14,107,199</u>
University	\$ 2,033,905	\$ 298,461	\$ 56,698	\$ 231,274	\$ 448,184	\$ 532,961	\$ 3,601,483
NYU Langone Health	66,042	842,597	7,919,412	17,425	142,562	1,530,457	10,518,495
	<u>\$ 2,099,947</u>	<u>\$ 1,141,058</u>	<u>\$ 7,976,110</u>	<u>\$ 248,699</u>	<u>\$ 590,746</u>	<u>\$ 2,063,418</u>	<u>14,119,978</u>
						Eliminations	(12,779)
							<u>\$ 14,107,199</u>

	2021						
	Instruction and Other Academic Programs	Research and Other Sponsored Programs	Patient Care	Student Services and Libraries	Auxiliary Enterprises	Institutional Services	Total
Salary and fringe	\$ 1,388,373	\$ 569,609	\$ 4,647,114	\$ 135,396	\$ 128,267	\$ 955,673	\$ 7,824,432
Medical and pharmaceutical costs	63	1,539	1,347,896	-	-	6,738	1,356,236
Professional services	119,623	31,859	228,967	15,032	47,355	158,406	601,242
Facilities costs	106,263	133,223	139,274	12,270	178,424	260,930	830,384
Fees, insurance and taxes	5,656	456	204,370	450	14,320	185,803	411,055
Depreciation and amortization expense	91,260	32,989	471,154	17,664	93,447	195,826	902,340
Interest expense	105,432	8,251	149,958	5,581	32,922	66,008	368,152
Other	97,312	163,674	182,240	45,661	9,304	214,166	712,357
	<u>\$ 1,913,982</u>	<u>\$ 941,600</u>	<u>\$ 7,370,973</u>	<u>\$ 232,054</u>	<u>\$ 504,039</u>	<u>\$ 2,043,550</u>	<u>\$ 13,006,198</u>
University	\$ 1,848,704	\$ 261,388	\$ 51,113	\$ 214,950	\$ 397,950	\$ 460,376	\$ 3,234,481
NYU Langone Health	65,278	680,212	7,319,860	17,104	111,075	1,590,167	9,783,696
	<u>\$ 1,913,982</u>	<u>\$ 941,600</u>	<u>\$ 7,370,973</u>	<u>\$ 232,054</u>	<u>\$ 509,025</u>	<u>\$ 2,050,543</u>	<u>13,018,177</u>
						Eliminations	(11,979)
							<u>\$ 13,006,198</u>

17. Components of Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at August 31, 2022 and 2021:

	2022	2021
Scholarships and fellowships	\$ 1,516,716	\$ 1,597,392
Contributions and earnings for operating purposes	1,498,322	1,865,393
Faculty and staff salaries	865,140	838,654
Program support	634,812	578,566
FEMA award for mitigation	38,698	50,067
Annuity trust agreements	37,796	40,080
Contributions for buildings and equipment	37,955	34,463
Other	107,634	108,286
Total net assets with donor restrictions	<u>\$ 4,737,073</u>	<u>\$ 5,112,901</u>

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NYU's investment pools include individual endowed funds established for a variety of purposes. Pooled assets include both donor restricted endowment funds and funds designated by the board to function as endowments.

NYU classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment required by the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated unspent earnings on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence described by the New York Prudent Management of Institutional Funds Act (NYPMIFA), and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift. The historical value of NYU's donor-restricted endowment funds totaled \$2,690,456 and \$2,565,794 at August 31, 2022 and 2021, respectively.

NYU defines the appropriation of endowment net assets for expenditure as the authorization of its investment spending rate as approved annually by the Board of Trustees (Note 5). However, when donors have expressly stipulated the payout percentage of earnings on endowments that differs from NYU policies, the donors' intent prevails. In making a determination to appropriate or accumulate, NYU adheres to the standard of prudence prescribed by NYPMIFA and considers the following factors: the duration and preservation of the endowment fund; NYU's mission and the purpose of the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of NYU; where appropriate and circumstances would otherwise warrant, alternatives to expenditures of the endowment fund giving due consideration to the effect that such alternatives may have on NYU; and the investment policy of NYU.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor required to be retained as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. As of August 31, 2022 and 2021, 117 funds and 5 funds, respectively, with original gift values of \$94,432 and \$350 were underwater by \$4,114 and \$34.

New York University
Notes to Consolidated Financial Statements
August 31, 2022 and 2021

(in thousands of dollars)

All endowment funds included within net assets without donor restrictions are board-designated. The following table provides the changes in the net asset classes of NYU's endowment funds at August 31:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment pool net assets, beginning of year	\$ 1,849,753	\$ 3,928,681	\$ 5,778,434
Contributions	105,706	142,056	247,762
Investment pool return	(175,386)	(342,708)	(518,094)
Endowment distribution	(64,208)	(134,137)	(198,345)
Liquidations	(3,715)	(8,656)	(12,371)
Investment pool net assets, end of year	\$ 1,712,150	\$ 3,585,236	\$ 5,297,386

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment pool net assets, beginning of year	\$ 1,593,729	\$ 3,111,869	\$ 4,705,598
Contributions	30,613	151,800	182,413
Investment pool return	395,546	791,618	1,187,164
Endowment distribution	(59,335)	(126,569)	(185,904)
Liquidations	(90,145)	(20,692)	(110,837)
Reclassification of net assets	(20,655)	20,655	-
Investment pool net assets, end of year	\$ 1,849,753	\$ 3,928,681	\$ 5,778,434

18. Commitments and Contingencies

NYU has ongoing construction projects with contractual commitments totaling \$254,793 at August 31, 2022.

NYU is self-insured for workers' compensation. The University purchases an excess workers' compensation insurance policy with a retention of \$500 per claim and has maintained a surety bond in the amount of \$12,720 at August 31, 2022 and 2021. Additionally, NYU Langone Health has maintained stand-by letters of credit aggregating approximately \$79,670 and \$63,540 at August 31, 2022 and 2021, respectively.

NYU is a defendant in various legal actions arising from the normal course of its activities 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

New York University
Notes to Consolidated Financial Statements
August 31, 2022 and 2021

(in thousands of dollars)

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 balance sheets.

19. Subsequent Events

NYU performed an evaluation of subsequent events through December 14, 2022, which is the date the consolidated financial statements were issued.

In November 2022, the Obligated Group entered into multiple finance leases in the New York Metro area with lease terms exceeding 30 years and discounted future payments totaling \$193,000.

Appendix A
Supplemental Schedules to the Consolidated Financial Statements

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2022

<i>(in thousands of dollars)</i>	2022			Consolidated NYU
	University	NYU Langone Health	Eliminations	
Assets				
Cash and cash equivalents	\$ 1,376,923	\$ 1,637,641	\$ -	\$ 3,014,564
Short-term investments (Note 5)	175,945	-	-	175,945
Accounts and loans receivable, net (Note 6)	422,442	496,485	(71,078)	847,849
Patient accounts receivable, net (Note 4)	7,134	1,208,586	-	1,215,720
Contributions receivable, net (Note 7)	270,975	351,241	-	622,216
Other assets (Note 8)	285,011	789,059	-	1,074,070
Deposits with trustees (Note 9)	325,185	297,766	-	622,951
Long-term investments (Note 5)	4,132,485	2,347,069	-	6,479,554
Operating lease right to use asset (Note 11)	586,294	1,567,928	-	2,154,222
Assets held for professional liabilities (Note 13)	-	950,996	-	950,996
Land, buildings, and equipment, net (Note 10)	4,929,156	8,594,931	-	13,524,087
Total assets	\$ 12,511,550	\$ 18,241,702	\$ (71,078)	\$ 30,682,174
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 508,168	\$ 2,114,243	\$ (71,078)	\$ 2,551,333
Deferred revenue	1,245,891	168,034	-	1,413,925
Operating lease liability (Note 11)	619,501	1,697,485	-	2,316,986
Professional liabilities (Note 13)	-	917,229	-	917,229
Debt and other obligations (Note 12)	4,110,008	5,456,398	-	9,566,406
Funds held for others (Notes 6 and 8)	152,149	341,330	-	493,479
Accrued benefit obligation (Note 14)	9,018	389,700	-	398,718
Accrued postretirement obligation (Note 14)	341,252	169,486	-	510,738
Asset retirement obligation	204,476	82,571	-	287,047
Total liabilities	7,190,463	11,336,476	(71,078)	18,455,861
Net assets				
Without donor restrictions	2,198,755	5,290,485	-	7,489,240
With donor restrictions (Note 17)	3,122,332	1,614,741	-	4,737,073
Total net assets	5,321,087	6,905,226	-	12,226,313
Total liabilities and net assets	\$ 12,511,550	\$ 18,241,702	\$ (71,078)	\$ 30,682,174

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2021

<i>(in thousands of dollars)</i>	2021			Consolidated NYU
	University	NYU Langone Health	Eliminations	
Assets				
Cash and cash equivalents	\$ 1,476,606	\$ 1,863,589	\$ -	\$ 3,340,195
Short-term investments (Note 5)	193,532	-	-	193,532
Accounts and loans receivable, net (Note 6)	362,326	462,687	(66,484)	758,529
Patient accounts receivable, net (Note 4)	8,134	1,051,359	-	1,059,493
Contributions receivable, net (Note 7)	325,497	312,607	-	638,104
Other assets (Note 8)	294,423	781,008	-	1,075,431
Deposits with trustees (Note 9)	417,183	449,289	-	866,472
Long-term investments (Note 5)	4,441,775	2,652,091	-	7,093,866
Operating lease right to use asset (Note 11)	625,365	1,529,634	-	2,154,999
Assets held for professional liabilities (Note 13)	-	914,127	-	914,127
Land, buildings, and equipment, net (Note 10)	4,680,356	8,220,337	-	12,900,693
Total assets	<u>\$ 12,825,197</u>	<u>\$ 18,236,728</u>	<u>\$ (66,484)</u>	<u>\$ 30,995,441</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 455,436	\$ 2,388,820	\$ (66,484)	\$ 2,777,772
Deferred revenue	1,175,206	152,383	-	1,327,589
Operating lease liability (Note 11)	655,402	1,639,684	-	2,295,086
Professional liabilities (Note 13)	-	847,910	-	847,910
Debt and other obligations (Note 12)	4,237,015	5,403,896	-	9,640,911
Funds held for others (Notes 6 and 8)	168,944	364,179	-	533,123
Accrued benefit obligation (Note 14)	21,802	515,645	-	537,447
Accrued postretirement obligation (Note 14)	419,573	213,137	-	632,710
Asset retirement obligation	198,551	155,301	-	353,852
Total liabilities	<u>7,331,929</u>	<u>11,680,955</u>	<u>(66,484)</u>	<u>18,946,400</u>
Net assets				
Without donor restrictions	2,057,276	4,878,864	-	6,936,140
With donor restrictions (Note 17)	3,435,992	1,676,909	-	5,112,901
Total net assets	<u>5,493,268</u>	<u>6,555,773</u>	<u>-</u>	<u>12,049,041</u>
Total liabilities and net assets	<u>\$ 12,825,197</u>	<u>\$ 18,236,728</u>	<u>\$ (66,484)</u>	<u>\$ 30,995,441</u>

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2022

	2022						Total
<i>(in thousands of dollars)</i>	University	NYU Schools of Medicine	Eliminations	Subtotal	Health System	Eliminations	Consolidated NYU
Assets							
Cash and cash equivalents	\$ 1,376,923	\$ 47,346	\$ -	\$ 1,424,269	\$ 1,590,295	\$ -	\$ 3,014,564
Short-term investments (Note 5)	175,945	-	-	175,945	-	-	175,945
Accounts and loans receivable, net (Note 6)	422,442	199,319	(49,739)	572,022	355,756	(79,929)	847,849
Patient accounts receivable, net (Note 4)	7,134	146,025	-	153,159	1,062,561	-	1,215,720
Contributions receivable, net (Note 7)	270,975	123,181	-	394,156	228,060	-	622,216
Other assets (Note 8)	285,011	393,939	-	678,950	395,120	-	1,074,070
Deposits with trustees (Note 9)	325,185	-	-	325,185	297,766	-	622,951
Long-term investments (Note 5)	4,132,485	1,185,739	-	5,318,224	1,161,330	-	6,479,554
Operating lease right to use asset (Note 11)	586,294	1,019,076	-	1,605,370	548,852	-	2,154,222
Assets held for professional liabilities (Note 13)	-	-	-	-	950,996	-	950,996
Land, buildings, and equipment, net (Note 10)	4,929,156	3,499,330	-	8,428,486	5,095,601	-	13,524,087
Total assets	<u>\$ 12,511,550</u>	<u>\$ 6,613,955</u>	<u>\$ (49,739)</u>	<u>\$ 19,075,766</u>	<u>\$ 11,686,337</u>	<u>\$ (79,929)</u>	<u>\$ 30,682,174</u>
Liabilities and Net Assets							
Liabilities							
Accounts payable and accrued expenses	\$ 508,168	\$ 872,494	\$ (49,739)	\$ 1,330,923	\$ 1,300,339	\$ (79,929)	\$ 2,551,333
Deferred revenue	1,245,891	42,111	-	1,288,002	125,923	-	1,413,925
Operating lease liability (Note 11)	619,501	1,097,812	-	1,717,313	599,673	-	2,316,986
Professional liabilities (Note 13)	-	-	-	-	917,229	-	917,229
Debt and other obligations (Note 12)	4,110,008	2,134,732	-	6,244,740	3,321,666	-	9,566,406
Funds held for others (Notes 6 and 8)	152,149	300,743	-	452,892	40,587	-	493,479
Accrued benefit obligation (Note 14)	9,018	-	-	9,018	389,700	-	398,718
Accrued postretirement obligation (Note 14)	341,252	95,558	-	436,810	73,928	-	510,738
Asset retirement obligation	204,476	23,043	-	227,519	59,528	-	287,047
Total liabilities	<u>7,190,463</u>	<u>4,566,493</u>	<u>(49,739)</u>	<u>11,707,217</u>	<u>6,828,573</u>	<u>(79,929)</u>	<u>18,455,861</u>
Net assets							
Without donor restrictions	2,198,755	828,790	-	3,027,545	4,461,695	-	7,489,240
With donor restrictions (Note 17)	3,122,332	1,218,672	-	4,341,004	396,069	-	4,737,073
Total net assets	<u>5,321,087</u>	<u>2,047,462</u>	<u>-</u>	<u>7,368,549</u>	<u>4,857,764</u>	<u>-</u>	<u>12,226,313</u>
Total liabilities and net assets	<u>\$ 12,511,550</u>	<u>\$ 6,613,955</u>	<u>\$ (49,739)</u>	<u>\$ 19,075,766</u>	<u>\$ 11,686,337</u>	<u>\$ (79,929)</u>	<u>\$ 30,682,174</u>

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2021

	2021						Total
<i>(in thousands of dollars)</i>	University	NYU Schools of Medicine	Eliminations	Subtotal	Health System	Eliminations	Consolidated NYU
Assets							
Cash and cash equivalents	\$ 1,476,606	\$ 58,416	\$ -	\$ 1,535,022	\$ 1,805,173	\$ -	\$ 3,340,195
Short-term investments (Note 5)	193,532	-	-	193,532	-	-	193,532
Accounts and loans receivable, net (Note 6)	362,326	216,598	(47,137)	531,787	393,790	(167,048)	758,529
Patient accounts receivable, net (Note 4)	8,134	154,934	-	163,068	896,425	-	1,059,493
Contributions receivable, net (Note 7)	325,497	117,143	-	442,640	195,464	-	638,104
Other assets (Note 8)	294,423	408,412	-	702,835	372,596	-	1,075,431
Deposits with trustees (Note 9)	417,183	-	-	417,183	449,289	-	866,472
Long-term investments (Note 5)	4,441,775	1,315,669	-	5,757,444	1,336,422	-	7,093,866
Operating lease right to use asset (Note 11)	625,365	987,477	-	1,612,842	542,157	-	2,154,999
Assets held for professional liabilities (Note 13)	-	-	-	-	914,127	-	914,127
Land, buildings, and equipment, net (Note 10)	4,680,356	3,449,620	-	8,129,976	4,770,717	-	12,900,693
Total assets	<u>\$ 12,825,197</u>	<u>\$ 6,708,269</u>	<u>\$ (47,137)</u>	<u>\$ 19,486,329</u>	<u>\$ 11,676,160</u>	<u>\$ (167,048)</u>	<u>\$ 30,995,441</u>
Liabilities and Net Assets							
Liabilities							
Accounts payable and accrued expenses	\$ 455,436	\$ 930,761	\$ (47,137)	\$ 1,339,060	\$ 1,605,760	\$ (167,048)	\$ 2,777,772
Deferred revenue	1,175,206	37,102	-	1,212,308	115,281	-	1,327,589
Operating lease liability (Note 11)	655,402	1,053,265	-	1,708,667	586,419	-	2,295,086
Professional liabilities (Note 13)	-	-	-	-	847,910	-	847,910
Debt and other obligations (Note 12)	4,237,015	2,175,076	-	6,412,091	3,228,820	-	9,640,911
Funds held for others (Notes 6 and 8)	168,944	319,626	-	488,570	44,553	-	533,123
Accrued benefit obligation (Note 14)	21,802	-	-	21,802	515,645	-	537,447
Accrued postretirement obligation (Note 14)	419,573	119,513	-	539,086	93,624	-	632,710
Asset retirement obligation	198,551	52,193	-	250,744	103,108	-	353,852
Total liabilities	<u>7,331,929</u>	<u>4,687,536</u>	<u>(47,137)</u>	<u>11,972,328</u>	<u>7,141,120</u>	<u>(167,048)</u>	<u>18,946,400</u>
Net assets							
Without donor restrictions	2,057,276	718,483	-	2,775,759	4,160,381	-	6,936,140
With donor restrictions (Note 17)	3,435,992	1,302,250	-	4,738,242	374,659	-	5,112,901
Total net assets	<u>5,493,268</u>	<u>2,020,733</u>	<u>-</u>	<u>7,514,001</u>	<u>4,535,040</u>	<u>-</u>	<u>12,049,041</u>
Total liabilities and net assets	<u>\$ 12,825,197</u>	<u>\$ 6,708,269</u>	<u>\$ (47,137)</u>	<u>\$ 19,486,329</u>	<u>\$ 11,676,160</u>	<u>\$ (167,048)</u>	<u>\$ 30,995,441</u>

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2022

	2022			Consolidated NYU
	University	NYU Langone Health	Eliminations	
<i>(in thousands of dollars)</i>				
Changes in net assets without donor restrictions				
Operating revenues				
Tuition and fees (net of financial aid awards of \$827,239 University; \$25,033 NYU Langone Health)	\$ 2,408,966	\$ 43,755	\$ -	\$ 2,452,721
Grants and contracts (Note 2)	736,715	654,556	-	1,391,271
Patient care (Note 4)	49,154	8,813,683	-	8,862,837
Hospital affiliations (Note 15)	-	448,827	-	448,827
Insurance premiums earned	-	108,014	-	108,014
Contributions	36,946	37,469	-	74,415
Endowment distribution (Note 5)	153,281	45,064	-	198,345
Return on short-term investments (Note 5)	9,791	35,366	-	45,157
Auxiliary enterprises (net of financial aid awards of \$70,701)	339,752	47,219	(4,866)	382,105
Program fees and other	47,714	648,136	(7,913)	687,937
Net assets released from restrictions	110,711	62,785	-	173,496
Total operating revenues	<u>3,893,030</u>	<u>10,944,874</u>	<u>(12,779)</u>	<u>14,825,125</u>
Expenses (Note 16)				
Salaries and fringe	2,123,823	6,270,840	-	8,394,663
Medical and pharmaceutical costs	-	1,477,431	-	1,477,431
Professional services	288,469	448,711	-	737,180
Facilities costs	379,607	529,502	(4,866)	904,243
Fees, insurance and taxes	53,285	407,165	-	460,450
Depreciation and amortization	260,521	685,390	-	945,911
Interest	156,654	211,993	-	368,647
Other	339,124	487,463	(7,913)	818,674
Total expenses	<u>3,601,483</u>	<u>10,518,495</u>	<u>(12,779)</u>	<u>14,107,199</u>
Excess of operating revenues over expenses	291,547	426,379	-	717,926
Nonoperating activities				
Investment return (Note 5)	(148,564)	(326,569)	-	(475,133)
Appropriation of endowment distribution (Note 5)	(54,751)	(9,457)	-	(64,208)
Pension and postretirement nonservice costs (Note 14)	3,720	22,451	-	26,171
Changes in pension and postretirement obligations (Note 14)	80,641	190,438	-	271,079
Net assets released from restrictions for capital	8,225	11,990	-	20,215
Non-clinical COVID costs (Note 2)	(37,792)	-	-	(37,792)
Other	(1,547)	96,389	-	94,842
Increase in net assets without donor restrictions	<u>141,479</u>	<u>411,621</u>	<u>-</u>	<u>553,100</u>
Changes in net assets with donor restrictions				
Contributions	162,011	137,792	-	299,803
Investment return (Note 5)	(245,069)	(94,172)	-	(339,241)
Appropriation of endowment distribution (Note 5)	(98,530)	(35,607)	-	(134,137)
Other	(13,136)	4,594	-	(8,542)
Net assets released from restrictions	(118,936)	(74,775)	-	(193,711)
Decrease in net assets with donor restrictions	<u>(313,660)</u>	<u>(62,168)</u>	<u>-</u>	<u>(375,828)</u>
(Decrease) increase in net assets	<u>\$ (172,181)</u>	<u>\$ 349,453</u>	<u>\$ -</u>	<u>\$ 177,272</u>

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2021

	2021			Consolidated NYU
	University	NYU Langone Health	Eliminations	
<i>(in thousands of dollars)</i>				
Changes in net assets without donor restrictions				
Operating revenues				
Tuition and fees (net of financial aid awards of \$800,629 University; \$25,033 NYU Langone Health)	\$ 2,063,896	\$ 43,774	\$ -	\$ 2,107,670
Grants and contracts (Note 2)	641,139	552,457	-	1,193,596
Patient care (Note 4)	43,563	8,119,353	-	8,162,916
Hospital affiliations (Note 15)	-	415,355	-	415,355
Insurance premiums earned	-	106,708	-	106,708
Contributions	21,550	45,693	-	67,243
Endowment distribution (Note 5)	144,624	41,280	-	185,904
Return on short-term investments (Note 5)	4,607	28,845	-	33,452
Auxiliary enterprises (net of financial aid awards of \$47,077)	194,653	48,961	(4,987)	238,627
Program fees and other	186,233	708,943	(6,992)	888,184
Net assets released from restrictions	62,830	72,086	-	134,916
Total operating revenues	<u>3,363,095</u>	<u>10,183,455</u>	<u>(11,979)</u>	<u>13,534,571</u>
Expenses (Note 16)				
Salaries and fringe	1,961,502	5,862,930	-	7,824,432
Medical and pharmaceutical costs	-	1,356,236	-	1,356,236
Professional services	236,746	364,496	-	601,242
Facilities costs	336,813	498,558	(4,987)	830,384
Fees, insurance and taxes	42,964	368,091	-	411,055
Depreciation and amortization	260,942	641,398	-	902,340
Interest	155,781	212,371	-	368,152
Other	239,733	479,616	(6,992)	712,357
Total expenses	<u>3,234,481</u>	<u>9,783,696</u>	<u>(11,979)</u>	<u>13,006,198</u>
Excess of operating revenues over expenses	128,614	399,759	-	528,373
Nonoperating activities				
Investment return (Note 5)	341,080	232,017	-	573,097
Appropriation of endowment distribution (Note 5)	(51,076)	(8,259)	-	(59,335)
Pension and postretirement nonservice costs (Note 14)	(10,285)	16,562	-	6,277
Changes in pension and postretirement obligations (Note 14)	162,908	236,945	-	399,853
Net assets released from restrictions for capital	10,725	8,415	-	19,140
Non-clinical COVID costs (Note 2)	(110,482)	-	-	(110,482)
Other	(65,065)	13,567	-	(51,498)
Increase in net assets without donor restrictions	<u>406,419</u>	<u>899,006</u>	<u>-</u>	<u>1,305,425</u>
Changes in net assets with donor restrictions				
Contributions	299,776	306,337	-	606,113
Investment return (Note 5)	573,231	222,148	-	795,379
Appropriation of endowment distribution (Note 5)	(93,548)	(33,021)	-	(126,569)
Other	21,657	2,829	-	24,486
Net assets released from restrictions	(73,555)	(80,501)	-	(154,056)
Increase in net assets with donor restrictions	<u>727,561</u>	<u>417,792</u>	<u>-</u>	<u>1,145,353</u>
Increase in net assets	<u>\$ 1,133,980</u>	<u>\$ 1,316,798</u>	<u>\$ -</u>	<u>\$ 2,450,778</u>

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2022

	2022						Total Consolidated NYU
(in thousands of dollars)	University	NYU Schools of Medicine	Eliminations	Subtotal	Health System	Eliminations	
Changes in net assets without donor restrictions							
Operating revenues							
Tuition and fees (net of financial aid awards of \$827,239 University; and \$25,033 NYU Langone Health)	\$ 2,408,966	\$ 43,253	\$ -	\$ 2,452,219	\$ 502	\$ -	\$ 2,452,721
Grants and contracts (Note 2)	736,715	641,069	-	1,377,784	13,487	-	1,391,271
Patient care (Note 4)	49,154	2,997,408	-	3,046,562	6,651,470	(835,195)	8,862,837
Hospital affiliations (Note 15)	-	421,490	-	421,490	27,337	-	448,827
Insurance premiums earned	-	-	-	-	108,014	-	108,014
Contributions	36,946	22,548	-	59,494	14,921	-	74,415
Endowment distribution (Note 5)	153,281	43,074	-	196,355	1,990	-	198,345
Return on short-term investments (Note 5)	9,791	1	-	9,792	35,365	-	45,157
Auxiliary enterprises (net of financial aid awards of \$70,701)	339,752	25,839	(4,866)	360,725	21,380	-	382,105
Program fees and other	47,714	329,765	(7,913)	369,566	685,842	(367,471)	687,937
Net assets released from restrictions	110,711	43,646	-	154,357	19,139	-	173,496
Total operating revenues	3,893,030	4,568,093	(12,779)	8,448,344	7,579,447	(1,202,666)	14,825,125
Expenses (Note 16)							
Salaries and fringe	2,123,823	3,392,242	-	5,516,065	2,932,604	(54,006)	8,394,663
Medical and pharmaceutical costs	-	91,038	-	91,038	1,366,393	-	1,477,431
Professional services	288,469	202,780	-	491,249	1,295,512	(1,049,581)	737,180
Facilities costs	379,607	289,206	(4,866)	663,947	240,296	-	904,243
Fees, insurance and taxes	53,285	279,285	-	332,570	127,880	-	460,450
Depreciation and amortization	260,521	244,228	-	504,749	441,162	-	945,911
Interest	156,654	84,518	-	241,172	127,475	-	368,647
Other	339,124	222,997	(7,913)	554,208	363,545	(99,079)	818,674
Total expenses	3,601,483	4,806,294	(12,779)	8,394,998	6,914,867	(1,202,666)	14,107,199
Excess (deficiency) of operating revenues over expenses	291,547	(238,201)	-	53,346	664,580	-	717,926
Nonoperating activities							
Investment return (Note 5)	(148,564)	(32,541)	-	(181,105)	(294,028)	-	(475,133)
Appropriation of endowment distribution (Note 5)	(54,751)	(9,295)	-	(64,046)	(162)	-	(64,208)
Pension and postretirement nonservice costs (Note 14)	3,720	4,461	-	8,181	17,990	-	26,171
Changes in pension and postretirement obligations (Note 14)	80,641	29,177	-	109,818	161,261	-	271,079
Net assets released from restrictions for capital	8,225	2,787	-	11,012	9,203	-	20,215
Non-clinical COVID costs (Note 2)	(37,792)	-	-	(37,792)	-	-	(37,792)
Other	(1,547)	303,919	-	302,372	(207,530)	-	94,842
Mission based payment	-	50,000	-	50,000	(50,000)	-	-
Increase in net assets without donor restrictions	141,479	110,307	-	251,786	301,314	-	553,100
Changes in net assets with donor restrictions							
Contributions	162,011	82,840	-	244,851	54,952	-	299,803
Investment return (Note 5)	(245,069)	(88,164)	-	(333,233)	(6,008)	-	(339,241)
Appropriation of endowment distribution (Note 5)	(98,530)	(33,779)	-	(132,309)	(1,828)	-	(134,137)
Other	(13,136)	1,958	-	(11,178)	2,636	-	(8,542)
Net assets released from restrictions	(118,936)	(46,433)	-	(165,369)	(28,342)	-	(193,711)
(Decrease) increase in net assets with donor restrictions	(313,660)	(83,578)	-	(397,238)	21,410	-	(375,828)
(Decrease) increase in net assets	\$ (172,181)	\$ 26,729	\$ -	\$ (145,452)	\$ 322,724	\$ -	\$ 177,272

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2021

	2021						Total Consolidated NYU
(in thousands of dollars)	University	NYU Schools of Medicine	Eliminations	Subtotal	Health System	Eliminations	
Changes in net assets without donor restrictions							
Operating revenues							
Tuition and fees (net of financial aid awards of \$800,629 University; and \$25,033 NYU Langone Health)	\$ 2,063,896	\$ 43,556	\$ -	\$ 2,107,452	\$ 218	\$ -	\$ 2,107,670
Grants and contracts (Note 2)	641,139	528,718	-	1,169,857	23,739	-	1,193,596
Patient care (Note 4)	43,563	2,771,573	-	2,815,136	6,168,438	(820,658)	8,162,916
Hospital affiliations (Note 15)	-	388,202	-	388,202	27,153	-	415,355
Insurance premiums earned	-	-	-	-	106,708	-	106,708
Contributions	21,550	37,032	-	58,582	8,661	-	67,243
Endowment distribution (Note 5)	144,624	39,865	-	184,489	1,415	-	185,904
Return on short-term investments (Note 5)	4,607	-	-	4,607	28,845	-	33,452
Auxiliary enterprises (net of financial aid awards of \$47,077)	194,653	25,683	(4,987)	215,349	23,278	-	238,627
Program fees and other	186,233	337,173	(6,992)	516,414	679,019	(307,249)	888,184
Net assets released from restrictions	62,830	54,805	-	117,635	17,281	-	134,916
Total operating revenues	3,363,095	4,226,607	(11,979)	7,577,723	7,084,755	(1,127,907)	13,534,571
Expenses (Note 16)							
Salaries and fringe	1,961,502	3,198,530	-	5,160,032	2,708,229	(43,829)	7,824,432
Medical and pharmaceutical costs	-	83,887	-	83,887	1,272,349	-	1,356,236
Professional services	236,746	142,476	-	379,222	1,217,337	(995,317)	601,242
Facilities costs	336,813	265,348	(4,987)	597,174	233,210	-	830,384
Fees, insurance and taxes	42,964	229,609	-	272,573	138,482	-	411,055
Depreciation and amortization	260,942	220,015	-	480,957	421,383	-	902,340
Interest	155,781	83,560	-	239,341	128,811	-	368,152
Other	239,733	191,845	(6,992)	424,586	376,532	(88,761)	712,357
Total expenses	3,234,481	4,415,270	(11,979)	7,637,772	6,496,333	(1,127,907)	13,006,198
Excess (deficiency) of operating revenues over expenses	128,614	(188,663)	-	(60,049)	588,422	-	528,373
Nonoperating activities							
Investment return (Note 5)	341,080	58,211	-	399,291	173,806	-	573,097
Appropriation of endowment distribution (Note 5)	(51,076)	(8,106)	-	(59,182)	(153)	-	(59,335)
Pension and postretirement nonservice costs (Note 14)	(10,285)	(7,977)	-	(18,262)	24,539	-	6,277
Changes in pension and postretirement obligations (Note 14)	162,908	44,706	-	207,614	192,239	-	399,853
Net assets released from restrictions for capital	10,725	4,574	-	15,299	3,841	-	19,140
Non-clinical COVID costs (Note 2)	(110,482)	-	-	(110,482)	-	-	(110,482)
Other	(65,065)	35,626	-	(29,439)	(22,059)	-	(51,498)
Mission based payment	-	50,000	-	50,000	(50,000)	-	-
Increase (decrease) in net assets without donor restrictions	406,419	(11,629)	-	394,790	910,635	-	1,305,425
Changes in net assets with donor restrictions							
Contributions	299,776	86,427	-	386,203	219,910	-	606,113
Investment return (Note 5)	573,231	210,854	-	784,085	11,294	-	795,379
Appropriation of endowment distribution (Note 5)	(93,548)	(31,759)	-	(125,307)	(1,262)	-	(126,569)
Other	21,657	(15,592)	-	6,065	18,421	-	24,486
Net assets released from restrictions	(73,555)	(59,379)	-	(132,934)	(21,122)	-	(154,056)
Increase in net assets with donor restrictions	727,561	190,551	-	918,112	227,241	-	1,145,353
Increase in net assets	\$ 1,133,980	\$ 178,922	\$ -	\$ 1,312,902	\$ 1,137,876	\$ -	\$ 2,450,778

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Cash Flows for NYU – Summary)
Year Ended August 31, 2022

	2022			Consolidated NYU
	University	NYU Langone Health	Eliminations	
<i>(in thousands of dollars)</i>				
Cash flows from operating activities				
Change in net assets	\$ (172,181)	\$ 349,453	\$ -	\$ 177,272
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization	260,521	685,390	-	945,911
Loss (gain) on sale or disposal of land, buildings and equipment	353	(554)	-	(201)
Net loss on investments, deposits with trustees and split-interest agreements	442,371	450,648	-	893,019
Bad debt expense	16,550	1,857	-	18,407
Pension and postretirement obligation change	(80,641)	(190,438)	-	(271,079)
Contributions received for permanent investment and capital	(86,290)	(27,319)	-	(113,609)
Proceeds from insurance recovery for capital and FEMA award for future mitigation	-	(1,236)	-	(1,236)
Amortization of operating right to use assets	113,573	151,751	-	265,324
Acquisition of Long Island Community Hospital	-	(105,967)	-	(105,967)
Changes in operating assets and liabilities				
Increase in accounts and loans receivable, net	(72,060)	(22,767)	4,594	(90,233)
Decrease (increase) in patient accounts receivable	1,000	(130,017)	-	(129,017)
Decrease (increase) in nonendowment and noncapital contributions receivable	49,916	(40,491)	-	9,425
Increase in other assets	(12,908)	(18,832)	-	(31,740)
Decrease in asset retirement obligation	(4,561)	(11,704)	-	(16,265)
Increase (decrease) in accounts payable and accrued expenses	22,494	(407,696)	(4,594)	(389,796)
Decrease in operating lease liability	(110,403)	(141,911)	-	(252,314)
Increase in professional liabilities	-	45,374	-	45,374
Increase in deferred revenue	70,685	15,651	-	86,336
(Decrease) increase in accrued benefit obligation	(11,524)	10,072	-	(1,452)
Increase in accrued postretirement obligation	1,060	10,770	-	11,830
Net cash provided by operating activities	427,955	622,034	-	1,049,989
Cash flows from investing activities				
Purchases of investments	(1,345,486)	(1,926,345)	-	(3,271,831)
Sales and maturities of investments	1,127,052	1,824,770	-	2,951,822
Drawdowns of unexpended bond proceeds	87,603	-	-	87,603
Additions to land, buildings, and equipment	(490,435)	(886,591)	-	(1,377,026)
Cash from acquisition of Long Island Community Hospital	-	86,068	-	86,068
Proceeds from insurance recovery for capital	-	45	-	45
Net cash used in investing activities	(621,266)	(902,053)	-	(1,523,319)
Cash flows from financing activities				
Contributions restricted for permanent investment and capital	86,290	27,319	-	113,609
Proceeds from FEMA award for future mitigation	-	1,191	-	1,191
Proceeds from short-term borrowings	-	-	-	-
Proceeds from long-term borrowings	-	38,870	-	38,870
Principal payments on long-term borrowings	(105,275)	(126,344)	-	(231,619)
Line of credit repayments	-	-	-	-
Payments of deferred financing costs	-	-	-	-
Decrease in funds held for others	(5,590)	-	-	(5,590)
Net cash used in financing activities	(24,575)	(58,964)	-	(83,539)
Net decrease in cash	(217,886)	(338,983)	-	(556,869)
Cash, cash equivalents and restricted cash				
Beginning of year	1,711,614	2,218,581	-	3,930,195
End of year	\$ 1,493,728	\$ 1,879,598	\$ -	\$ 3,373,326
Supplemental disclosure of cash flow information				
Interest paid	\$ 162,077	\$ 223,091	\$ -	\$ 385,168
Change in noncash acquisitions of land, buildings, and equipment	30,238	29,859	-	60,097
Right-of-use assets obtained				
In exchange for new operating lease obligations	53,179	196,091	-	249,270
In exchange for new finance lease obligations	-	50,243	-	50,243

The accompanying note is an integral part of these supplemental schedules.

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Cash Flows for NYU – Summary)
Year Ended August 31, 2021

	2021			Consolidated NYU
	University	NYU Langone Health	Eliminations	
<i>(in thousands of dollars)</i>				
Cash flows from operating activities				
Change in net assets	\$ 1,133,980	\$ 1,316,798	\$ -	\$ 2,450,778
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization	260,942	641,398	-	902,340
Loss on sale or disposal of land, buildings and equipment	292	69	-	361
Net gain on investments and deposits with trustees	(882,330)	(446,272)	-	(1,328,602)
Bad debt expense	19,131	2,399	-	21,530
Pension and postretirement obligation change	(162,908)	(236,945)	-	(399,853)
Contributions received for permanent investment and capital	(83,773)	(35,966)	-	(119,739)
Proceeds from insurance recovery for capital and FEMA award for future mitigation	-	(4,793)	-	(4,793)
Amortization of operating right to use assets	105,555	162,120	-	267,675
Changes in operating assets and liabilities				
Decrease (increase) in accounts and loans receivable, net	54,587	(102,823)	(45,773)	(94,009)
Increase in patient accounts receivable	(300)	(211,939)	-	(212,239)
Increase in nonendowment and noncapital contributions receivable	(80,234)	(165,266)	-	(245,500)
Increase in other assets	(5,815)	(25,176)	-	(30,991)
Decrease in asset retirement obligation	-	(980)	-	(980)
Increase in accounts payable and accrued expenses	45,102	257,976	45,773	348,851
Decrease in operating lease liability	(98,156)	(142,338)	-	(240,494)
Increase in professional liabilities	-	77,169	-	77,169
Increase (decrease) in deferred revenue	341,712	(25,348)	-	316,364
Decrease in accrued benefit obligation	(2,633)	(34,879)	-	(37,512)
Increase in accrued postretirement obligation	11,349	17,756	-	29,105
Net cash provided by operating activities	<u>656,501</u>	<u>1,042,960</u>	<u>-</u>	<u>1,699,461</u>
Cash flows from investing activities				
Purchases of investments	(1,786,404)	(2,452,455)	-	(4,238,859)
Sales and maturities of investments	1,439,265	2,227,830	-	3,667,095
Drawdowns of unexpended bond proceeds	376,744	-	-	376,744
Additions to land, buildings, and equipment	(412,692)	(630,737)	-	(1,043,429)
Proceeds from insurance recovery for capital	-	100	-	100
Net cash used in investing activities	<u>(383,087)</u>	<u>(855,262)</u>	<u>-</u>	<u>(1,238,349)</u>
Cash flows from financing activities				
Contributions restricted for permanent investment and capital	83,773	35,966	-	119,739
Proceeds from FEMA award for future mitigation	-	4,693	-	4,693
Proceeds from short-term borrowings	200,000	-	-	200,000
Proceeds from long-term borrowings	246,932	88,370	-	335,302
Principal payments on long-term borrowings	(141,024)	(135,561)	-	(276,585)
Line of credit repayments	(450,000)	-	-	(450,000)
Payments of deferred financing costs	(1,153)	-	-	(1,153)
Decrease in funds held for others	(5,983)	-	-	(5,983)
Net cash used in financing activities	<u>(67,455)</u>	<u>(6,532)</u>	<u>-</u>	<u>(73,987)</u>
Net increase in cash	205,959	181,166	-	387,125
Cash, cash equivalents and restricted cash				
Beginning of year	1,505,655	2,037,415	-	3,543,070
End of year	<u>\$ 1,711,614</u>	<u>\$ 2,218,581</u>	<u>\$ -</u>	<u>\$ 3,930,195</u>
Supplemental disclosure of cash flow information				
Interest paid	\$ 160,531	\$ 226,535	\$ -	\$ 387,066
Change in noncash acquisitions of land, buildings, and equipment	1,989	(119,918)	-	(117,929)
Right-of-use assets obtained				
In exchange for new operating lease obligations	34,846	113,668	-	148,514
In exchange for new finance lease obligations	843	808,975	-	809,818

The accompanying note is an integral part of these supplemental schedules.

New York University
Note to Consolidating Supplemental Schedules
August 31, 2022 and 2021

1. Basis of Presentation – Consolidating Supplemental Schedules

The consolidating supplemental schedules (consolidating information) presented on pages 46-55 was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual companies within NYU and is not a required part of the consolidated financial statements. The individual reporting entities within NYU as presented within the consolidating information are disclosed within Note 1 to the consolidated financial statements.

The consolidating financial statements were prepared on an accrual basis of accounting, consistent with the consolidated financial statements (Note 2). All transactions between and amounts due to (from) the reporting entities within NYU have been eliminated within the consolidating supplemental schedules.