

**Yeshiva University**  
**Consolidated Financial Statements**  
**June 30, 2016 and 2015**

**Yeshiva University**  
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**June 30, 2016 and 2015**

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**Yeshiva University**  
**Consolidated Statements of Financial Position**  
**June 30, 2016 and 2015**  
*(in thousands of dollars)*

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	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 30,389	\$ 34,555
Non-7.2(r)5.4, 2		

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

**Yeshiva University**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2016 and 2015**  
*(in thousands of dollars)*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Operating revenues</b>								
Tuition and fees, net of scholarships of \$79,105 in 2016 and \$98,254 in 2015 (Note 13)	\$ 102,861	\$ -	\$ -	\$ 102,861	\$ 129,502	\$ -	\$ -	\$ 129,502
Grants and contracts	30,358	-	-	30,358	210,203	-	-	210,203
Patient care revenue	1,815	-	-	1,815	32,465	-	-	32,465
Contributions	4,780	-	-	4,780	15,016	-	-	15,016
Services under affiliation agreements	3,508	-	-	3,508	25,731	-	-	25,731
Investment support utilized	25,268	-	-	25,268	44,463	-	-	44,463
Interest income (Note 3)	7,714	-	-	7,714	1,404	-	-	1,404
Auxiliary enterprises	19,904	-	-	19,904	30,765	-	-	30,765
Other revenue	14,587	-	-	14,587	16,829	-	-	16,829
Net assets released from restrictions (Note 14)	33,763	-	-	33,763	93,566	-	-	93,566
Total operating revenues	244,558	-	-	244,558	599,944	-	-	599,944
<b>Operating expenses</b>								
Instruction	113,150	-	-	113,150	193,180	-	-	193,180
Research and training	33,101	-	-	33,101	235,219	-	-	235,219
Patient care	2,386	-	-	2,386	39,659	-	-	39,659
Academic support	39,994	-	-	39,994	57,734	-	-	57,734
Student services	21,424	-	-	21,424	25,964	-	-	25,964
Institutional support	53,098	-	-	53,098	87,923	-	-	87,923
Auxiliary enterprises	33,854	-	-	33,854	44,825	-	-	44,825
Total operating expenses (Note 12)	297,007	-	-	297,007	684,504	-	-	684,504
Change in operating activities	(52,449)	-	-	(52,449)	(84,560)	-	-	(84,560)
<b>Nonoperating activities</b>								
Contributions, net	-	28,603	6,943	35,546	-	21,098	(3,603)	17,495
Provision for uncollectible contributions receivable	-	(151)	(93)	(244)	-	(3,714)	(1,573)	(5,287)
Net assets released from restrictions and reclassifications (Note 14)	(2)	(29,653)	(4,108)	(33,763)	(732)	(91,610)	(1,224)	(93,566)
Net investment (loss) return (Note 4)	(4,591)	(12,083)	(192)	(16,866)	2,331	25,031	392	27,754

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

**Yeshiva University**  
**Consolidated Statements of Cash Flows**  
**June 30, 2016 and 2015**  
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	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (589,342)	\$ (206,546)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Transfer of net assets/reduction, net in connection with the Transaction (Note 3)	493,772	-

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

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**1. The University and its Operations**

Yeshiva University (the “University”) is a private, non-profit institution of higher education primarily based in New York City. The University was founded in 1886 as the Rabbi Isaac Elchanan Theological Seminary (“RIETS”), with which it is still affiliated, and was chartered as a separate University in 1945. The University brings together the heritage of western civilization and the ancient traditions of Jewish law and life.

The University is comprised of several colleges and schools providing undergraduate, graduate, professional,





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**Tax Matters**

The University is a not-for-profit corporation described in Internal Revenue Code Section 501(c)(3) and is generally exempt from federal income taxes on related income under Internal Revenue Code Section 501(a). Accordingly, no provision for federal income tax has been recorded in the consolidated financial statements. The University is also exempt from New York income taxes under the related state provisions. The University is subject to the unrelated business income tax on revenue generated by activities unrelated to its tax-exempt mission, primarily from income generated by certain investments. For the years ended June 30, 2016 and 2015, the University generated net unrelated trade or business income or (losses) of \$180 and (\$2,074), respectively. As of June 30, 2016, the University had approximately \$12,346 of ordinary loss carry-forwards to offset unrelated business income and capital gains generated in future years. Management has taken the position not to record a deferred tax asset with respect to these losses, as it is uncertain whether such losses will be utilized in the future.

The Housing Company is a not-for-profit corporation described in Internal Revenue Code Section 501(c)(2) and is exempt from federal income taxes under Internal Revenue Code Section 501(a). On September 9, 2015, the Housing Company was transferred to AECOM, Inc. (Note 3).

The Foundation is a not-for-profit corporation described in Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes under Internal Revenue Code Section 501(a). The Foundation operates as a supporting organization of the University and RIETS. The real estate entities are wholly owned by either the University or the Foundation and operate as for-profit entities which are either disregarded or are subject to income tax at the federal, state, and local levels. In the opinion of management, these entities generate recurring losses and de minimis tax liabilities that are not material to the consolidated financial statements. Management has taken the position not to record a deferred tax asset with respect to these losses, as it is uncertain whether such losses will be utilized in the future.

Management assesses its income tax position each year to determine whether it is likely to be sustained if examined by an applicable taxing authority. This review for fiscal 2016 had no material impact on the consolidated financial statements.

**Financial Position and Liquidity**

In recent years, the University has incurred significant operating losses, including \$52,449 in fiscal year 2016 and \$84,560 in fiscal year 2015, which has impacted the University's financial resources. The University's

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- x Reviewing real estate holdings, including developing and implementing a strategy for the monetization of selected assets, in conjunction with the proposed strategic plan for the University (Notes 7 and 18).
- x Implementing initiatives to reduce personnel costs and expenses, including voluntary and involuntary separation incentive programs.
- x Developing new academic offerings and alternative delivery models to ensure productivity and continued relevance in the delivery of academic programs.
- x Reviewing administrative services to maximize efficiencies and reduce expenses.

The University was in compliance with its bond and bank loan covenants at June 30, 2016 and 2015, and expects to remain in compliance, through fiscal 2017.

Management believes that the University will have sufficient liquidity to meet its ongoing obligations, through June 30, 2017.

**2. Summary of Significant Accounting Policies**

The significant accounting policies followed by the University are described below:

**Basis of Presentation**

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with standards established by the Financial Accounting Standards Board (“FASB”) for external financial reporting by not-for-profit organizations. While the underlying accounts of the University are maintained in accordance with the principles of fund accounting to facilitate observance of specific restrictions placed on the resources available to the University, the accompanying consolidated financial statements present the financial position,

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temporarily restricted net assets under nonoperating activities and released from temporarily restricted net assets under nonoperating activities to unrestricted net assets as investment support utilized under operating revenues when the donor-imposed restrictions are met.

Contributions subject to donor-imposed restrictions are reported as increases in temporarily restricted net assets under nonoperating activities and released from temporarily restricted net assets under nonoperating activities to unrestricted net assets as operating revenues when the donor-imposed restrictions are met.

**Operating and Nonoperating Activities**

The Consolidated Statements of Activities present the changes in net assets by distinguishing between operating and nonoperating activities.

Operating activities principally include all revenue and expenses that relate to the University's educational programs, research, training, and supporting activities. Investment returns utilized included in operating revenues consist of appropriated endowment spending on pooled endowed and investment income on nonendowed funds, as well as nonpooled endowed funds, that were used to support operating activities in accordance with the University's endowment spending policy (Note 5). Operating revenues also include the release of temporarily restricted net assets which include prior year contributions for which the donor-specified conditions have been met.

The University has defined nonoperating activities to principally include net investment return less investment return utilized to support current year operating activities in accordance with the University's endowment spending rate policy (Note 5), temporarily and permanently restricted contributions, temporarily restricted net assets released from restriction, changes in value of split-interest agreements, provision for uncollectible contributions receivable, and subsidy of unconsolidated organizations. Certain other gains, losses or changes in net assets related to transactions considered to be of an unusual or nonrecurring nature are also included in nonoperating activities.

**Tuition and Fees**

Tuition and fees are derived from degree and continuing education programs. The University recognizes tuition and fee revenues as operating income in the period in which it is earned. Tuition and fee receipts received in advance are recorded as deferred revenue. The University administers a variety of federal, state, institutional, and private programs in order to assist students in meeting tuition and other costs of attendance. Tuition and fee revenues are reported net of scholarships and transfers to AECOM, Inc.

**Grants and Contracts**

The University receives grant and contract revenue from governmental and private sources. The University recognizes revenue associated with the direct and applicable indirect costs of sponsored programs as the related costs are incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on federally-sponsored programs are generally based on predetermined reimbursement rates which are stated as percentages and distributed based on modified total direct costs incurred. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. Funds received for sponsored research activity are subject to audit. Based upon information currently available, management believes that any liability resulting from such audits will not materially affect the financial position or operations of the University.

**Contributions**

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**Fair Value**

The University values certain financial and nonfinancial assets and liabilities by applying the FASB pronouncement on *Fair Value Measurements*. The pronouncement defines fair value and establishes a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used

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near term and such changes could materially affect the amounts reported in the Consolidated Statements of Financial Position.

The fair value of the University's investments is disclosed in Note 4. A reasonable estimate of the fair value of loans receivable from students under government loan programs could not be made because the loans are not saleable and can only be assigned to the U.S. Government or its designees. The fair value of the mortgage loans receivable at June 30, 2016 and 2015 approximated carrying value in the Consolidated Statements of Financial Position. The carrying amount of the remaining University's financial instruments approximates fair value because of their short maturity.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Significant estimates and assumptions include the valuation of investments, provision for uncollectible receivables, the present value of multi-year pledges, and the allocation of expenses to functional classifications.

**New Accounting Pronouncements**

In May 2014, the FASB issued an Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction prices to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017.

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NAV as a practical expedient. This standard is effective for fiscal years beginning after December 15, 2016; however, early adoption is permitted. The University elected to early adopt ASU 2015-07 in fiscal 2015. Accordingly, investments for which fair value is measured using NAV as a practical expedient have not been categorized within the fair value hierarchy.

In January 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which eliminate the requirement to disclose fair value of financial instruments at amortized cost for entities that are not public business entities. The amendments in this update are effective for fiscal years beginning after December 15, 2018; however, early adoption is permitted for the elimination of the fair value of financial instruments disclosure guidance in the General Subsection of Section 825-10-50



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**3. Assets and Liabilities Held for Sale - Einstein**

As described in Note 1, on September 9, 2015, the University entered into a Joint Collaboration Agreement regarding Einstein with Montefiore Medicine. Pursuant to the Joint Collaboration Agreement, the University transferred operational and financial responsibility for Einstein to AECOM, Inc., a newly-created not-for-profit tax-exempt corporation controlled by Montefiore Medicine. In connection with the Transaction (the "Transaction"), substantially all of the assets, employees, liabilities, and fiduciary responsibilities to donors associated with Einstein as well as those pertaining to the consolidated related entity, the Housing Company, were transferred from the University to, and assumed by, AECOM, Inc. as part of the agreement. As detailed below, included in the assets transferred were Einstein-related land and buildings in the Bronx, as well as Einstein-related receivables, investments, endowments and research grants and contracts. AECOM, Inc. is controlled by an affiliate of Montefiore and is now responsible for the medical school's current and future operations. Over the course of the several years prior to the Transaction, Einstein's operating deficits comprised a significant portion of the University's annual operating deficits. As described in Note 1, although financial and operational control transferred to the new entity, the University will continue to have involvement with AECOM, Inc., as it will be the degree granting institution until AECOM, Inc. receives its accreditation.

In accordance with the Joint Collaboration Agreement, those portions of the University's investment and endowment accounts that were attributable to (i.e., donated for the benefit of) Einstein were transferred from the University to AECOM, Inc.

In connection with the Transaction, the University received consideration in a number of forms including an amount of cash proceeds that were specifically paid to reduce its long-term debt, by redeeming or defeasing \$136,110 of outstanding principal of Dormitory Authority of the State of New York ("DASNY") bonds and \$9,885 of other defeased costs (Note 9). In addition, the transfer of the Housing Company to AECOM, Inc. relieved the University of responsibility for approximately \$42,600 of mortgage debt (both the first and subordinated mortgage notes and the associated mortgages) comprising the entire outstanding long-term debt encumbering the Housing Company's land and buildings (Note 9).

The Joint Collaboration Agreement also provides for the University to receive additional consideration, in the form of 21 annual cash payments from AECOM, Inc., commencing on September 9, 2017, and on each September 9<sup>th</sup> thereafter through 2037. Such payments are represented by a Promissory Note from AECOM, Inc. to the University and aggregates \$270,000 (20 payments of \$12,500 each, followed by a final payment of \$20,000). The present value of such note using a 6% discount rate, at June 30, 2016 was \$147,849. In fiscal year 2016, \$7,040 of imputed interest was recorded as interest income related to the note. Montefiore has guaranteed AECOM, Inc.'s obligation to make payments under the Note. In October 2016, the University sold the note to an unrelated third party for \$148,000 (Note 18).

As part of the agreement, the University retained ownership of certain limited assets on the Resnick Campus in the Bronx. The University was also relieved of substantially all of its inter-divisional borrowing from Einstein.

The Consolidated Statements of Activities incorporate the activities of two months of Einstein for the year ended June 30, 2016 and a full year of Einstein for the year ended June 30, 2015. Such activities include total operating revenues of approximately \$46,000 and \$416,000, total operating expenses of approximately \$65,000 and \$447,000, and operating losses of approximately (\$19,000) and (\$31,000), respectively.

In accordance with ASC 360-10-35, the carrying value of the Einstein assets (and liabilities) held for sale were measured at the lower of their carrying amount or fair value less cost to sell, which the University has determined to be the carrying value. Additionally, per ASC 360-10-35, assets held for sale were no longer

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depreciated while they are classified as held for sale. All assets and liabilities that were transferred to AECOM, Inc. are presented separately as assets and liabilities held for sale in the Consolidated Statements of Financial Position.

As of June 30, 2015, the following represents the carrying amounts of major classes of assets and liabilities that are presented separately as held for sale on the Consolidated Statements of Financial Position:

	<b>2015</b>
<b>Assets Held for Sale - Einstein</b>	
Cash and cash equivalents	\$ 1,715
Grants and contracts receivable, net	36,428
Contributions receivable, net (Note 6)	20,232
Student receivables, net (Note 6)	19,220
Other assets and receivables (Note 6)	40,292
Mortgage loans receivable	16,376
Funds held by bond trustees	7,116
Investments (Note 4)	465,109
Trusts and split-interest agreements held by others (Note 4)	7,708
Land, buildings and equipment, net (Note 7)	371,845
Total assets held for sale	986,041
<b>Liabilities Held for Sale - Einstein</b>	
Accounts payable and accrued expenses	29,988
Deferred revenue	21,681
Trusts held for others	14,669
Other liabilities	35,000
Refundable advances from the U.S. Government	116
Mortgage note payable (Note 9)	42,604
Capital lease obligation	33,587



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The fair value hierarchy of the Unconsolidated Organizations' and AECOM, Inc.'s interest in the University's investment portfolio is consistent with the University's fair value hierarchy as a whole.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and other highly liquid investments having an original maturity of less than three months. Cash and cash equivalents may include cash in bank accounts and investments in money market funds. At times, cash in banks may exceed FDIC insured limits.

**Fixed Income**

Fixed income securities include directly held U.S. Government obligations, fixed income securities held in mutual funds, directly held corporate debt and directly held State of Israel bonds. U.S. Government obligations and fixed income securities held in mutual funds are valued based on quoted market prices in active markets and are categorized as Level 1. Corporate securities are valued based on quoted market prices or

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**Equities**

Equity investments include directly held corporate stocks, public equities held in mutual funds, long-only equities, long-short equities, private equity and venture capital, all held in limited partnerships. Corporate stocks and public equities held in mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1. Long-only equities (where only long positions in assets and securities are traded and held), long-short equities (where long positions that are expected to appreciate and short positions that are expected to decline are traded and held), private equity (which invests directly in private firms) and venture capital (which includes direct equity investments of less mature firms) are valued at the NAV provided by the investment manager. All investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy.

**Marketable Alternatives**

Marketable alternatives include limited partnership investments in multi-strategy/event-driven and macro strategies. Multi-strategy/event-driven (which represents an investment strategy that includes several strategies or attempts to take advantage of events such as mergers and restructurings) and macro (that bases its holdings - such as long and short positions in various equity, fixed income, currency, and futures markets - primarily on overall economic and political views of various countries (macroeconomic principles)) are valued at the NAV provided by the investment manager. All investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy.

**Real Assets and Real Estate**

Real Assets represent limited partnership investments in tangible assets that may include rail cars, ships, aircraft, forestry or traded commodities. Real estate represents limited partnership investments in real property. The interests in these investments are valued at the NAV provided by the investment manager. All investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy, as long as no adjustment is required to NAV and the manager has reported a NAV at the measurement date. Investments are categorized as Level 3 if a NAV adjustment is required or if there is no reported NAV at the measurement date.

**Investment Receivables and Investment Payables**

Investment receivables include investments in limited partnerships where the University has placed redemption requests and are valued at NAV. Investment payables include unsettled trades at the measurement date and

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As of June 30, 2016, \$12,623 within the long-only equity investment strategy is locked up until May 31, 2019,

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The net movement of cash and cash equivalents within the investments balance is included in proceeds from sales of investments in the Consolidated Statements of Cash Flows as of June 30, 2016 and 2015.

**Net Investment Return**

Net investment return for the years ended June 30, 2016 and 2015 is as follows:

**5. Endowment**

The University's endowment following the Transaction (Note 3) consists of approximately 1,600 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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The following represents the University's endowment net asset composition by type of fund as of June 30, 2016 and 2015:

	<b>2016</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ (13,270)	\$ 110,663	\$ 372,647	\$ 470,040
Board-designated endowment funds	3,869	4,324	-	8,193
Total endowment net assets	<u>\$ (9,401)</u>	<u>\$ 114,987</u>	<u>\$ 372,647</u>	<u>\$ 478,233</u>
Other funds, net				(16,972)
Total investments				<u>\$ 461,261</u>

  

	<b>2015</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ (10,937)	\$ 299,371	\$ 594,366	\$ 882,800
Board-designated endowment funds	4,217	7,442	-	11,659
Total endowment net assets	<u>\$ (6,720)</u>	<u>\$ 306,813</u>	<u>\$ 594,366</u>	<u>\$ 894,459</u>
Other funds, net				99,086
Less: Assets held for sale - Einstein				(465,109)
Total investments				<u>\$ 528,436</u>

Changes in endowment net assets for the year ended June 30, 2016 were as follows:

	<b>2016</b>			
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Endowment net assets at June 30, 2015</b>	(6,720)	\$ 306,813	\$ 594,366	\$ 894,459
Endowment income, net of expenses	53	6,792	75	6,920
Net realized and unrealized gains (losses) on endowments	(131)	(21,657)	(226)	(22,014)
Net endowment return	(78)	(14,865)	(151)	(15,094)
Contributions	5	46	3,302	3,353
Appropriation of endowment assets per spending policy	(221)	(28,117)	(313)	(28,651)
Transfers, withdrawals and other changes	(54)	(151,240)	(224,540)	(375,834)
Reclassifications	(2,333)	2,350	(17)	-
<b>Endowment net assets at June 30, 2016</b>	<u>(9,401)</u>	<u>\$ 114,987</u>	<u>\$ 372,647</u>	<u>\$ 478,233</u>

In connection with the Transaction, the University transferred \$370,730 of endowments to AECOM, Inc. in fiscal 2016, which is included in transfers, withdrawals and other changes in the table of changes in endowment net assets above.

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**6. Receivables and Other Assets**

**Contributions Receivable, Net**

Contributions receivable consists of the following at June 30, 2016 and 2015:

As of June 30, 2016 and 2015, approximately 75% and 59%, respectively, of gross contributions receivable were from five donors. The allowance in 2016 and 2015 includes approximately \$20,000 related to a long-term donor due to changes in circumstances.

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Write-offs of a student loan receivable are based primarily on the age of the receivable and an evaluation of any recent activity in the account. Overall default rates and an evaluation of general economic conditions are reviewed at least annually. The University, because of its close and continuing relationship with its students and graduates, seeks to work closely with the students to help ensure repayment.

**Other Assets and Receivables**

Other assets consist of grant receivables, prepaid expenses, prepaid bond issuance costs, deposits with bond trustees, donated fractional interests in real estate, cash deposits required by vendors, due to/from related entities, rent receivables, and various other miscellaneous receivables. Included at fair value are the assets of





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**Assets Held for Sale**

In fiscal 2016, the Board of Trustees authorized the sale of two properties located on the Brookdale campus and the Beren Campus for approximately \$58,000 and \$9,000, respectively. The two sales closed during fiscal 2017; the net book value of \$5,657 and \$0, related to the Brookdale campus and Beren Campus, respectively is presented in the Consolidated Statements of Financial Position as assets held for sale. The total approximate gains related to the sale of these two properties were \$60,000 (Note 18).

**8. Retirement Plans**

**Defined Contribution and Deferred Compensation Plans**

The University has several defined contribution retirement plans in which most full-time and many part-time employees participate. The University's contributions are based on specified percentages of each employee's annual salary. It is the University's policy to fund retirement plan costs currently. Total retirement plan expense for the years ended June 30, 2016 and 2015 was \$5,172 and \$18,364, respectively.

The University has a 457(b) deferred compensation plan, which is offered to select management employees. The employee contributions are capped at the annual Federal limit for deferred compensation. The assets related to this plan are included in other assets and receivables in the Consolidated Statements of Financial Position and amounted to \$11,582 and \$8,383 as of June 30, 2016 and 2015, respectively. The assets primarily consist of mutual funds and guaranteed interest accounts that have been reported in the tables below with the appropriate investment leveling based on the fair value hierarchy described in Note 4.

Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds and				

Offsetting liabilities that relate to this plan are included in other liabilities as of June 30, 2016 and 2015. Beginning in fiscal 2016, the guaranteed interest accounts are being reported at contract value, which amounts to \$3,901.

**Multi-Employer Benefit Plan**

The University participates in the 1199 SEIU Health Care Employees Pension Fund, a multi-employer defined benefit pension plan, for its Manhattan-based and Einstein 1199 union employees.

The University makes cash contributions to the plan under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered

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**9. Bonds Payable and Other Debt**

Details of the bonds payables and other debt as of June 30, 2016 and 2015 are as follows:

- a. In September 2011, DASNY issued \$90,000 of Revenue Bonds Series 2011A (Series 2011A Bonds) on behalf of the University. The Series 2011A Bonds bear interest rates ranging from 4% to 5% with principal payments due at various dates commencing November 1, 2014, with a final maturity date of November 1, 2040. The Series 2011A Bonds are general unsecured obligations of the University; no security interest or mortgage encumbering University revenues or assets was granted in connection with the issuance of the Series 2011A Bonds. A portion of the proceeds of the Series 2011A Bonds was used for the payment of, or to reimburse the University for the payment of, certain capital expenditures and to reimburse \$20,500 on a line of credit. A portion of the Series 2011A Bonds was used to refund all but \$3,064 of the outstanding DASNY Series 2001 Bonds. The Series 2011A Bonds were issued with a net premium of \$3,390, of which \$1,463 and \$1,767 were unamortized as of June 30, 2016 and 2015, respectively. As part of the Transaction regarding Einstein, \$32,485 of the Series 2011A Bonds was defeased (Note 3).
- b. In July 2009, DASNY issued \$140,820 of Revenue Bonds Series 2009 (Series 2009 Bonds) on behalf of the University. The Series 2009 Bonds bear interest rates ranging from 3.50% to 5.18% with principal payments

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The unamortized bond issuance costs were \$6,412 and \$9,166 at June 30, 2016 and 2015, respectively.

Interest expense on the bonds and other debt for the years ended June 30, 2016 and 2015 was \$22,743 and \$24,631, respectively.

In connection with the Transaction, the University received \$145,995 of consideration to defease DASNY bonds, of which \$136,110 defeased outstanding principal and \$9,885 related to other DASNY related costs.

The sale of the property on the Brookdale campus in October 2016 (Note 18) will reduce the University's bonds and mortgages payable by approximately \$5,000; going forward, the University's corresponding debt service payments will no longer be required to be made.

**10. Asset Retirement Liabilities - \$29.8 million**

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**11. Due to AECOM, Inc.**

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**13. Scholarships and Tuition Transfers to AECOM, Inc.**

Student tuition and fees are presented net of amounts awarded to students to defray their costs of attending the University as follows:

University unfunded support includes tuition discounts, financial aid, and merit scholarships awarded to students from unrestricted operating resources. University funded support includes financial aid and



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**15. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2016 and 2015 were available for the following purposes:

**16. Permanently Restricted Net Assets**

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**17. Contingencies**

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**18. Subsequent Events**

In fiscal 2016, the Board of Trustees authorized the sale of two properties located on the Brookdale campus and the Beren Campus for approximately \$58,000 and \$9,000, respectively. The two sales were completed during fiscal 2017. The net book value of the \$5,657 and \$0, related to the Brookdale campus and the Beren Campus, respectively is presented in the Consolidated Statements of Financial Position as assets held for sale. With respect to the sale of the Brookdale campus property, the University was released from responsibility for approximately \$1,000 of mortgage payable and approximately \$4,000 of DASNY bonds payable upon defeasance to occur in fiscal 2017. The total approximate gains related to the sale of these two properties were \$60,000.

In October 2016, the University sold the note receivable from AECOM, Inc. for \$148,000 to an unrelated third party. The proceeds represented an approximately 6% discount of the future payment stream on the note. As part of the transaction, all obligations of AECOM, Inc. under the note and the future proceeds of the note have been assigned to the third party.

In November 2016, the University paid down \$50,000 of the private placement bonds included in Bonds payable and other debt.

Subsequent event guidance requires the University to evaluate subsequent events to determine whether they provide additional evidence about conditions that existed at the date of the consolidated financial statements, and to determine if those events require recognition or disclosure in the consolidated financial statements. The University has performed an evaluation of subsequent events through January 17, 2017, which is the date the consolidated financial statements were issued.