Yeshiva University
Consolidated Financial Statements
June 30, 2019 and 2018

Report of Independent Auditors

To the Board of Trustees of
Yeshiva University

We have audited the accompanying consolidated financial statements of Yeshiva University and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and of cash flows for the years then ended.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yeshiva University and its subsidiaries at June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it presents net assets and reports certain aspects of its consolidated financial statements as a not-for-profit entity in 2019. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

Florham Park, New Jersey
December 20, 2019

Yeshiva University
Consolidated Statements of Financial Position
June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Assets		
Cash and cash equivalents	$ 14,498	$ 15,458
Student receivables, net (Note 6)	36,256	34,415
Contribution receivables, net (Note 6)	60,449	49,828
Other assets and receivables (Note 6)	58,882	55,389
Investments, at fair value (Note 4)	539,345	587,904
Investments held for AECOM (Notes 4 and 11)	39,962	51,829
Investments held for unconsolidated organizations (Note 4)	132,409	138,440
Trusts and split-interest agreements held by others (Note 4)	11,644	11,862
Land, buildings and equipment, net (Note 7)	186,205	192,996
Total assets	$ 1,079,650	$ 1,138,121
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 30,685	$ 30,643
Deferred revenue	3,010	3,780
Other liabilities	13,487	14,363
Refundable advances from the U.S. Government	4,967	4,826
Bonds payable and other debt (Note 9)	285,620	290,802
Asset retirement obligations (Note 10)	9,552	9,403
Due to AECOM (Note 11)	45,217	58,383
Investments held for unconsolidated organizations (Note 4)	132,409	138,440
Total liabilities	524,947	550,640
Contingencies (Note 16)		
Net assets		
Without donor restrictions	(57,404)	(28,160)
With donor restrictions (Notes 15)	612,107	615,641
Total net assets	554,703	587,481
Total liabilities and net assets	$ 1,079,650	$ 1,138,121

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

Yeshiva University
Consolidated Statements of Activities
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total	2018 Without Donor Restrictions	2018 With Donor Restrictions	2018 Total
Operating revenues						
Tuition and fees, net of scholarships of $91,449 in 2019 and $85,006 in 2018 (Note 13)	$ 107,559	$ -	$ 107,559	$ 102,747	$ -	$ 102,747
Contributions	7,740	-	7,740	7,150	-	7,150
Investment support utilized	27,908	-	27,908	28,619	-	28,619
Auxiliary enterprises	18,942	-	18,942	17,236	-	17,236
Other revenue	17,716	-	17,716	17,811	-	17,811
Net assets released from restrictions (Note 14)	25,111	-	25,111	29,130	-	29,130
Total operating revenues	204,976	-	204,976	202,693	-	202,693
Operating expenses						
Instruction	92,269	-	92,269	92,153	-	92,153
Academic support	43,210	-	43,210	41,530	-	41,530
Student services	25,521	-	25,521	24,350	-	24,350
Institutional support	54,411	-	54,411	56,593	-	56,593
Auxiliary enterprises	13,466	-	13,466	12,529	-	12,529
Total operating expenses (Note 12)	228,877	-	228,877	227,155	-	227,155
Change in operating activities	(23,901)	-	(23,901)	(24,462)	-	(24,462)
Nonoperating activities						
Contributions, net	-	43,690	43,690	-	25,896	25,896
Provision for uncollectible contribution receivables	-	(10,255)	(10,255)	-	(19,756)	(19,756)
Net assets released from restrictions and reclassifications (Note 14)	12	(25,123)	(25,111)	(2,329)	(26,801)	(29,130)
Net investment return (Note 4)	1,467	11,514	12,981	6,559	30,572	37,131
Investment support utilized	(4,622)	(23,286)	(27,908)	(5,024)	(23,595)	(28,619)
Other revenue and transfers	-	(74)	(74)	-	279	279
Subsidy of unconsolidated organization (Note 6)	(2,200)	-	(2,200)	(1,446)	-	(1,446)
Change in net assets from nonoperating activities	(5,343)	(3,534)	(8,877)	(2,240)	(13,405)	(15,645)
Change in net assets	(29,244)	(3,534)	(32,778)	(26,702)	(13,405)	(40,107)
Net assets						
Beginning of year	(28,160)	615,641	587,481	(1,458)	629,046	627,588
End of year	$ (57,404)	$ 612,107	$ 554,703	$ (28,160)	$ 615,641	$ 587,481

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

Yeshiva University
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Cash flows from operating activities		
Change in net assets	$ (32,778)	$ (40,107)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized and unrealized gain on investments	(6,441)	(33,497)
Noncash endowment transfer	-	(109)
Unrealized gain in irrevocable charitable remainder trusts	(51)	(40)
Unrealized loss in operational investments funds	10	272
Noncash contributions received	(408)	(1,334)
Proceeds from sale of donated securities	314	495
Depreciation, accretion, and amortization expense	13,138	14,570
Change in trusts and split-interest agreements held by others	218	280
Present value adjustments to receivables	(2,370)	(4,876)
Provision for uncollectible loans and receivables	11,602	19,710
Contributions restricted for long-term investment	(3,229)	(3,666)
Contributions restricted for investment in plant assets	(1,811)	(311)
Changes in operating assets and liabilities		
Receivables and other assets	(25,469)	(6,877)
Accounts payable and accrued expenses	(97)	(1,767)
Deferred revenue, trusts held for others, other liabilities and asset retirement obligations	(2,823)	(762)
Net cash used in operating activities	(50,195)	(58,019)
Cash flows from investing activities		
Change in student and faculty loan receivables, net	152	2,826
Additions to land, buildings and equipment	(6,075)	(4,497)
Change in funds held by bond trustees	(14)	10
Purchases of investments	(334,923)	(294,405)
Proceeds from sales of investments	389,964	346,608
Net cash provided by investing activities	49,104	50,542
Cash flows from financing activities		
Contributions restricted for long-term investment	3,323	4,505
Contributions restricted for investment in plant assets	1,811	311
Change in refundable advances from the U.S. Government	141	(1,285)
Payment of bonds, notes, and mortgages payable	(5,144)	(8,667)
Net cash provided by (used in) financing activities	131	(5,136)
Net change in cash and cash equivalents	(960)	(12,613)
Cash and cash equivalents		
Beginning of year	15,458	28,071
End of year	$ 14,498	$ 15,458
Supplemental disclosure		
Interest paid	$ 13,493	$ 13,804
Change in accounts payable and accrued expenses relating to plant assets	139	120
Proceeds from sale of donated securities	314	495
Change in investments held for AECOM and unconsolidated organizations	(17,898)	(10,920)

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

(in thousands of dollars)

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, and post-doctoral education and training. The University’s undergraduate education includes Jewish Studies (the Robert M. Beren Department of Jewish Studies and the Rebecca Ivry Department of Jewish Studies), Yeshiva College, Stern College for Women, Sy Syms School of Business, Katz School of Science and Health, and the S. Daniel Abraham Israel Program in Israel. Its graduate and professional schools include the Albert Einstein College of Medicine (“Einstein”) (Note 1), Benjamin N. Cardozo School of Law (“Cardozo”), Sy Syms School of Business, Wurzweiler School of Social Work, Ferkauf Graduate School of Psychology (“Ferkauf”), Azrieli Graduate School of Jewish Education and Administration, Bernard Revel Graduate School of Jewish Studies, and the Katz School of Science and Health. The University provides instruction to approximately 5,000 undergraduate, graduate and professional students.

The University is accredited by the Middle States Association of Colleges and Schools, Einstein is accredited by the Liaison Committee on Medical Education, and Cardozo is accredited by the American Bar Association. The other academic programs are accredited by appropriate state and professional accrediting agencies and associations.

The University has three Manhattan campuses: the Wilf Campus located in the Washington Heights section, the Israel Henry Beren Campus located in the Murray Hill section, and the Brookdale Center located in the Greenwich Village section. Ferkauf is located in a building in the Bronx, and the University also operates at Einstein’s Jack and Pearl Resnick Campus in the Bronx. The Wilf Campus, Beren Campus and the Brookdale Center, together with Ferkauf, comprise the Manhattan Campuses. The University operates a museum in New York City and is associated with programs in Israel and Canada.

The University derives its revenues principally from student tuition and fees, government appropriations, contributions, and investment earnings. Additional support is generated through auxiliary activities carried out by the University, such as dining services and residence facilities. The University spends these resources in support of its instructional and research mission.

Related Entities

Consolidated Organizations

There are several entities (the “Consolidated Organizations”) that are controlled by the University for which it provides various administrative services. The financial results of the Consolidated Organizations are consolidated for financial statement reporting purposes.

(in thousands of dollars)

The Yeshiva Endowment Foundation, Inc. (the "Foundation") was formed in 1927 as a separate not-for-profit corporation organized for the benefit of the University and its affiliate, RIETS. Control of the Foundation is vested in a Board of Directors, all of whom are members of the University's Board of Trustees (the "Board of Trustees"). The Foundation includes five wholly-owned, for-profit real estate corporations.

Y Properties Holdings, LLC ("Y Properties") was formed in 2017 as a special purpose bankruptcy remote entity in connection with the refinancing of the University's private placement debt which was collateralized by a mortgage encumbering five University properties in New York City. The purpose of Y Properties is to generally acquire, hold, maintain, operate, lease, or otherwise use its properties and to borrow money in furtherance of the objectives of Y Properties. The sole member of Y Properties is the University. On April 21, 2017, the University transferred ownership of the five aforementioned properties to Y Properties, and Y Properties entered into a $140,000 loan agreement secured by a mortgage on such properties. The net proceeds of the loan (less the costs of issuance) were distributed to the University as the sole member and used to repay the private placement debt. The University continues to use these properties as a tenant, pursuant to a long-term operating lease with Y Properties as landlord (Notes 7 and 9(c)). Y Properties remains a separate entity whose assets and credit are not available to satisfy the University's unrelated debts and other obligations. As the sole controlling member, the University includes the operations of Y Properties in the University's consolidated financial statements.

Unconsolidated Organizations

RIETS and Yeshiva University High Schools (the "High Schools"), an education corporation that maintains separate secondary school programs for boys and girls, are independently incorporated not-for-profit institutions separately chartered by the Board of Regents of the State of New York in 1970 and 2009, respectively. Control of RIETS and the High Schools is vested in their respective boards of trustees, a minority of whose membership includes trustees of the University. The financial results for these two entities are excluded from the consolidated financial statements.

Affiliation Agreements

On September 9, 2015 (the "Acquisition Date" or the "Closing"), the University entered into a Joint Collaboration Agreement regarding Einstein with Montefiore Medicine Academic Health System, Inc. ("Montefiore Medicine"), an affiliate of Montefiore Medical Center ("Montefiore") which has long been Einstein's principal teaching hospital. Pursuant to the Joint Collaboration Agreement, the University transferred operational and financial responsibility for Einstein to a newly-created not-for-profit tax-exempt corporation (which, as of January 1, 2019, merged into a newly-created tax-exempt education corporation "AECOM") controlled by Montefiore Medicine. In accordance with the Joint Collaboration Agreement, at the Closing the majority 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. The remainder of those investments have continued to be transferred to AECOM over time (Notes 4 and 11).

The Joint Collaboration Agreement provided that for a transition period, following the Closing, until AECOM receives full accreditation as a freestanding degree-granting institution, the University would: (i) maintain academic oversight for the medical school, including granting degrees; and (ii) provide certain administrative services to or on behalf of the medical school. As part of the University's continuing involvement during the transition period until AECOM receives full accreditation, certain medical school employees, including a number of faculty members and academic officers, would remain employed by the University. Additionally, during this transition period, medical school

(in thousands of dollars)

students would continue to enroll at the University and financial aid would be administered by the University in accordance with applicable federal and state law and accreditation requirements. As part of a transition services agreement, AECOM paid the University for the University's ongoing activities benefitting medical students and the medical school during the transition period. As of March 1, 2019, AECOM became a freestanding degree-granting institution and the academic oversight functions for the medical school previously performed by the University have generally ceased except that, until AECOM receives authority from the U.S. Government to do so, the University continues to sponsor and enroll international students at the medical school. In addition, as part of the transaction, the University retained ownership of certain limited real estate assets on Einstein's Resnick Campus in the Bronx.

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 of education and research, primarily from income generated by certain investments. For the years ended June 30, 2019 and 2018, the University generated net unrelated trade or business income of $164 and ($1,860), respectively. As of June 30, 2019, the University had approximately $17,300 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 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.

Y Properties is a single member limited liability company that is classified as a disregarded entity for federal and state income tax purposes. For tax purposes, all of Y Properties' income and losses are reported by the University, its sole member.

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 2019 had no material impact on the consolidated financial statements.

(in thousands of dollars)

2. Summary of Significant Accounting Policies

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

New Authoritative Pronouncements Adopted by the University

In May 2014, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This standard implements a single framework for recognition of all revenue earned from 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. The University adopted ASU 2014-09 in the current year using a full retrospective basis of application. Adoption did not have a material impact on the University's consolidated financial statements and changes to the presentation and disclosure of revenue primarily relate to tuition, fees and auxiliary services.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU amends the financial reporting requirements in Topic 958, Not-for-Profit Entities. The University adopted ASU 2016-14 in the current year and applied the changes retroactively. The main requirements of the guidance includes (a) presenting only two net asset categories: without donor restrictions and with donor restrictions, (b) classifying underwater amount of donor-restricted endowment funds as "net asset with donor restriction," and enhanced disclosures are required for board-designated amounts (Note 5), (c) presentation of investment return net of expenses, and (d) disclosures of composition of net assets, liquidity and availability of resources (Note 3), and expenses by both natural and functional classification (Note 12). The adoption of this standard retrospectively required reclassification of the underwater endowment funds, as of July 1, 2017, which increased net assets without donor restrictions and decreased net assets with donor restrictions by $10,667. New disclosures about the presentation of net assets are included below:

Opening Net Assets Fiscal Year 2018

	ASU 2016-14 Classifications		
	Without donor restrictions	**With donor restrictions**	**Total Net Assets**
NET ASSETS CLASSIFICATIONS			
As Previously Presented:			
Unrestricted	$ (12,125)	$ -	$ (12,125)
Temporarily Restricted	-	199,840	199,840
Permanently Restricted	-	439,873	439,873
Net assets as of July 1, 2017	$ (12,125)	$ 639,713	$ 627,588
Reclassifications to Implement ASU 2016-14:			
Underwater endowments	10,667	(10,667)	-
Net assets as of July 1, 2017, as restated	$ (1,458)	$ 629,046	$ 627,588

(in thousands of dollars)

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The amendments in this update provide a framework for evaluating whether grants should be accounted for as exchange transactions or as nonexchange transactions and in determining whether a contribution is conditional or unconditional. The University adopted ASU 2018-08 in the current year using a modified prospective basis of application. The amendments in this ASU were applied only to a portion of revenue and expense that had not yet been recognized before the effective date in accordance with prior guidance, and no prior period results were restated. Adoption did not have a material impact on the University's consolidated financial statements. New disclosures about sponsored grants and contracts are below:

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with standards established by the 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 donor-imposed restrictions placed on some of the resources available to the University, the accompanying consolidated financial statements present the financial position, activities, and cash flows of the University as a whole. University resources are classified and reported in the consolidated financial statements within separate classes of net assets based on the existence or absence of donor-imposed restrictions.

Net Assets Classification

The University classifies its net assets as without donor restrictions or with donor restrictions. Periodically, donor redesignations may result in reclassifications of net assets. The two net assets categories of the University are classified as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and are available for operations.

With donor restrictions – Net assets that are subject to donor-imposed stipulations. This includes net assets with donor restrictions that will be satisfied by the actions of the University, the passage of time, or both. These net assets include gifts for which donor-imposed restrictions have not been met (including gifts for capital projects not yet placed in service), pledges, split-interest agreements, and net assets from donor-restricted endowments not yet appropriated for spending. Once the restrictions are satisfied, or have been deemed to have been satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Also included in this category are net assets with donor restrictions that require such assets to be maintained permanently by the University and invested to provide a perpetual source of income. The University considers cash assets and pledges that are maintained and invested in perpetuity as endowment funds that will ultimately be invested when collected. Certain donor restrictions are perpetual in nature and may include gifts, pledges, trusts and remainder trusts, and income and gains that are required to be permanently retained.

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

(in thousands of dollars)

included in operating revenues consist of appropriated endowment spending on pooled endowed funds 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 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), restricted contributions, net assets released from restriction, provision for or loss on uncollectible contributions receivable, and subsidy of unconsolidated organizations. Certain other gains, losses or transfers in net assets related to transactions considered to be of an unusual or nonrecurring nature are also included in nonoperating activities.

Revenue Recognition
Revenue related to exchange transactions is recognized under the provisions of the applicable ASC Topic, which is typically ASC Topic 606, Revenue from Contracts with Customers. The University recognizes contributions in accordance with the revenue recognition provisions of ASC Topic 958-605, Not-for-Profit Entities- Revenue Recognition. Revenue is considered a contribution if it is determined not to be an exchange transaction.

Revenue recognition for the University's significant types of revenue is discussed below.

Tuition and Fees
Tuition and fees are derived from degree and continuing education programs. 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 fees do not include other items such as meal plans and room and board which are included in auxiliary revenue in the Consolidated Statements of Activities; however the recognition process mirrors that for tuition and fees. Tuition and fee revenues are reported net of scholarships and transfers to AECOM. Scholarships are provided to offset tuition and fees and are either merit or need based. Tuition and fees and room and board revenues are supported by separate contracts entered between the University and the individual student.

Tuition and fees and room and board revenues are recognized as operating revenue in the period in which the University satisfies its performance obligations to its students. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in ASC Topic 606. The University's performance obligations are to provide education to the student and, in certain instances, other items such as room and board. The University recognizes tuition and fees, and room and board on a straight-line basis over each academic session based on gross price, net of explicit price concessions such as financial aid grants which are applied to tuition and fees. The value that is recognized for each performance obligation is set forth in a publicly available University fee schedule and is identified in the individual contracts with each student. Individual contracts for tuition and fees, and room and board display the transaction price on a standalone basis for each service to be provided to each specific student. Additionally, the contract contains the price adjustment in the form of financial aid grants that are being awarded to the student. Given the timing of each year's academic semesters, nearly all performance obligations on behalf of the University are completed within the fiscal year.

(in thousands of dollars)

The timing(s) of billings, cash collections and revenue recognition results in accounts receivable and deferred revenue and student deposits on the Consolidated Statements of Financial Position. Receivables are recognized only to the extent that is it probable that the University will collect substantially all of the consideration to which it is entitled in exchange for goods and services transferred to the student. Receipts received in advance of goods and services performed are recorded as deferred revenue and student deposits.

Of the $126,501 in total net tuition, fees and auxiliary revenue recognized in fiscal year 2019, $73,834 was from undergraduate students, $52,503 was from graduate students, and $164 was from other sources. Of the $119,983 in total net tuition, fees and auxiliary revenue recognized in fiscal year 2018, $70,039 was from undergraduate students, $49,787 was from graduate students, and $157 was from other sources.

Contributions
Contributions, including unconditional promises to give ("pledges"), are reported as revenues in the period received or pledged.

Conditional promises to give are not recognized until they become unconditional, that is, when both the barrier to entitlement and the refund of amounts paid (or a release from obligation to make future payments) have been substantially met. Conditional contributions received, where the barrier to entitlement is not yet overcome, are recorded as deferred revenue.

Contributions of assets other than cash are recorded at their estimated fair value at the date of receipt if the University received certain goods and services that meet criteria under generally accepted accounting principles in the United States of America ("GAAP") for recognition as contributions. Contributions of property and equipment are recorded as increases in net assets without donor restrictions unless the donor places restrictions on their use. Pledges not expected to be received within one year are discounted at a risk-adjusted rate that includes a premium for credit risk, if any. In addition, provisions for uncollectible contribution receivables that are related to pledges with donor restrictions are presented under nonoperating activities.

Other Revenue
Other revenue consists of government awarded grants and contracts, income from the Jack D. Weiler Hospital of Albert Einstein College of Medicine ('WHAECOM") lease and other program income support revenue.

The University receives sponsored program grant and contract income from governmental sources. The funding may represent a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large or it may be a reciprocal transaction in exchange for an equivalent benefit in return. Revenues from exchange transactions are recognized as performance obligations are satisfied which in most cases mirrors the timing of when related costs are incurred. 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). The University recognizes revenue earned from conditional non-exchange transactions when the barrier is satisfied, typically as related costs are incurred. At June 30, 2019, the University has no grants or contracts for which it has not yet met all obligations to recognize revenue, or the right to recognize revenue is dependent on future events. In addition, the University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will

(in thousands of dollars)

include the donor-restricted contributions if the purpose restrictions are met in the same reporting year as the revenue is recognized.

The University has a lease agreement with Montefiore, whereby exclusive occupation, management, and control of WHAECOM is with Montefiore. The annual lease payment along with the straight-line of the WHAECOM lease are recorded as other revenue.

Investments and Net Investment Return
Investments are stated at estimated fair value. These fair values may differ from the values that would have been used had a ready market existed for these investments, and the differences could be significant.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are generally determined on the basis of average cost of securities sold and are reflected in net investment return in the Consolidated Statements of Activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis, and are reflected in net investment return in the Consolidated Statements of Activities.

Cash and Cash Equivalents
Cash and cash equivalents represent the University's working capital and include cash on hand and other highly liquid investments having an original maturity of less than three months, excluding investments. Cash and cash equivalents may include cash in bank accounts and investments in money market funds. Cash and cash equivalents related to the University's investment strategies are included in Investments in the Consolidated Statements of Financial Position. At times, cash in banks may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits. Management believes that the credit risk to these deposits is minimal.

Student Receivables and Allowance for Doubtful Accounts
Student receivables are recorded when billed to the student. Student receivables are reduced by an allowance for doubtful accounts. The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. Account balances are written off against the allowance when management determines it is probable the receivable will not be recovered. Historical collection is an integral part of the estimation process related to the allowance for uncollectible accounts. Revisions in allowance for doubtful accounts estimates are recorded as an adjustment to the provision for bad debts.

Institutional Student Loans
The University manages a variety of internal loan programs. Student loans are classified as net assets with donor restrictions. Interest earned on institutional loan programs is reinvested to support additional loans. The repayment and interest rate terms of the institutional loans vary considerably.

(in thousands of dollars)

Split-Interest Agreements and Perpetual Trusts
The University's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts for which the University serves as trustee. The fair value of trusts and split- interest agreements are categorized as Level 3 within the fair value hierarchy. Contribution revenue is recognized at the date that the trusts are established, after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

The University is the beneficiary of certain perpetual trusts and other split-interest agreements held and administered by others. The present value of the estimated future cash receipts from the trusts and agreements is recognized as an asset and as a contribution when the University is notified that the trusts or agreements have been funded. Distributions from the trusts greater than the estimated present value are recorded as contributions and the carrying value of the assets is adjusted annually for changes in the estimates of future receipts. Changes in the fair values of assets of perpetual trusts and agreements are recorded as increases or decreases in net assets with donor restriction.

Land, Buildings and Equipment
Land, buildings and equipment (Note 7) are stated substantially at cost, except for those received by contribution, which are stated at appraised value at date of contribution. Equipment, furniture and fixtures having a useful life of one year or more and an acquisition cost of five thousand dollars or more per unit are capitalized.

Depreciation is computed on a straight-line basis over the assets' estimated useful lives. Depreciable lives of buildings and improvements are 50 years for building shell and up to 28 years for all other building components. The depreciable lives of equipment, furniture, and fixtures range from 5 to 15 years and range from 5 to 10 years for software applications.

Refundable Advances From the U.S. Government
Funds provided by the U.S. Government under the Federal Perkins Loan program are loaned to eligible students and may be re-loaned after collection. These funds are ultimately refundable to the U.S. Government and are presented in the Consolidated Statements of Financial Position as a liability. The Perkins Loan Program was not reauthorized by the federal government in September 2017, and therefore, collected funds will be returned to the U.S. Government and the University proportionate to their original funding.

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 to measure and disclose fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The hierarchy has three levels based on inputs that market participants would use in valuing the asset or liability based on market data obtained from sources independent of the University as follows:

(in thousands of dollars)

Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable.

Level 3 Unobservable inputs for the asset or liability.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. The University is required by the pronouncement to maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3). The University considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, provided by independent sources that are actively involved in the relevant market, and not proprietary. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the University's perceived risk of that instrument.

Assets and liabilities are disclosed in the Notes to Consolidated Financial Statements within the hierarchy based on the lowest (or least observable) input that is significant to the measurement. The University's assessment of the significance of an input requires judgment, which may affect the valuation and categorization within the fair value hierarchy. The fair value of assets and liabilities using Level 3 inputs are generally determined by using pricing models, discounted cash flow methods or calculated Net Asset Value ("NAV"), which all require significant management judgment or estimation.

As a practical expedient, the University is permitted, under the pronouncement, to estimate the fair value of an investment in an investment company at the measurement date using the reported NAV. Adjustment is required if the University expects to sell the investment at a value other than NAV or if NAV is not calculated in accordance with GAAP. All investments for which fair value is measured using NAV are excluded within the fair value hierarchy, as long as no adjustment is required to NAV and the investment 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.

The University performs additional procedures, including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with GAAP. The University has assessed factors including, but not limited to, managers' compliance with the *Fair Value Measurement* standard, price transparency and valuation procedures in place.

All investments are subject to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is likely that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the Consolidated Statements of Financial Position.

(in thousands of dollars)

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, 2019 and 2018 approximated carrying value in the Consolidated Statements of Financial Position. The carrying amount of the University's remaining 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 Authoritative Pronouncements Not Yet Adopted by the University

In February 2016, the FASB issued ASU 2016-02, *Leases*, that will require lessees to report most leases on their statement of financial position but recognize expenses on their income statement in a manner similar to current accounting. The guidance also eliminates current real estate-specific provisions. Lessors in operating leases continue to recognize the underlying asset and recognize lease income on either a straight-line basis or another systematic and rational basis. The provisions of ASU 2016-02 are effective for fiscal years beginning after December 15, 2018; however, early adoption is permitted. The University is evaluating the impact this standard will have on the fiscal year 2020 consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*. The ASU provides guidance on certain cash receipts and states that cash payments should be classified in the Statement of Cash Flows. The ASU is effective for fiscal years beginning after December 15, 2018; however, early adoption is permitted. The University is evaluating the impact this standard will have on the fiscal year 2020 consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. The ASU provides guidance on the presentation, disclosure, and cash flow classification of restricted cash. The ASU is effective for fiscal years beginning after December 15, 2018; however, early adoption is permitted. The University is evaluating the impact this standard will have on the fiscal year 2020 consolidated financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement. The new guidance simplifies fair value measurement disclosures through the removal and modification of a number of investment related disclosure requirements. Certain disclosures are no longer required including amount of and reasons for transfers between Levels 1 and 2; policy for timing of transfers between level and valuation processes for Level 3 investments. The ASU is effective for fiscal year 2021 for the University. The University is assessing the impact of this new pronouncement.

(in thousands of dollars)

Reclassifications
Certain previously reported amounts in the fiscal year 2018 consolidated financial statements have been reclassified in order to conform to fiscal year 2019 presentation.

3. Liquidity and Availability of Financial Resources

As part of the University's liquidity management strategy, the University structures its financial assets to be available to meet cash needs for general expenditures, liabilities, and other obligations as they come due. A significant portion of the University's annual expenditures are funded by operating revenues in the current year including tuition and fees, endowment support, auxiliary enterprises, gifts for current use and other revenues.

The University routinely monitors liquidity required to meet its ongoing operating needs and commitments while striving to maximize the investment of available resources within its investment pools.

The University's financial assets available within one year of the Consolidated Statement of Financial Position for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital projects are as follows:

Financial Assets	2019
Cash and cash equivalents	$ 11,454
Student receivables	9,200
Pledge receivables due in one year	13,027
Short term investments	76,300
Estimated spending appropriation	23,524
Total financial assets available within one year	**$ 133,505**

In addition, the University has board-designated funds of $4,020. Although the University does not intend to spend from such funds, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from such board-designated funds could be made available if necessary.

The University was in compliance with its bond and bank loan covenants at June 30, 2019 and 2018. Management believes that the University will have sufficient resources to meet its ongoing obligations, through June 30, 2021.

4. Investments

The University manages substantially all of its investments and those of certain Consolidated Organizations and Unconsolidated Organizations in three investment groups – the Long Term Pool ("LTPool") for long-term investments, the Operational Investment Funds ("OIFunds") for shorter-term investments, and Segregated Investments.

(in thousands of dollars)

The Investment Oversight Committee of the Board of Trustees oversees the University's investment strategy for the LTPool in accordance with established guidelines, which cover, among other criteria, asset allocation, diversification, liquidity and performance return objectives. The overall investment objective of the University is to invest the LTPool in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after accounting for inflation. The University diversifies its investments among various asset classes incorporating multiple strategies and managers.

In anticipation of the Joint Collaboration Agreement regarding Einstein (Note 1), the University split the LTPool into two unitized pools in fiscal year 2015, both of which are included as part of the LTPool in the schedule below. The remaining portion of Einstein's investments of $39,962 and $51,829 at June 30, 2019 and 2018, respectively, represents investments held for AECOM that are being transferred over time due to illiquidity and other regulatory reasons. These amounts are shown separately on the Consolidated Statements of Financial Position as of June 30, 2019, and 2018, respectively.

The OIFunds are managed to a shorter-term investment horizon with an emphasis on liquidity. Investments include cash and cash equivalents and fixed income securities.

Segregated Investments include investments that are donor-directed and assets held in irrevocable charitable remainder trusts. These investments include cash and cash equivalents, U.S. Government obligations, mutual funds (fixed income), corporate debt, State of Israel Bonds, corporate stocks, mutual funds (equities), investment receivables, investment payables and other investments.

At June 30, 2019 and 2018, the value of the University's interest in these groups is as follows:

	2019	2018
Long term pool	$ 534,394	$ 569,345
Operational investment funds	94	13,677
Segregated investments	4,857	4,882
Total investments, at fair value	$ 539,345	$ 587,904

Included in segregated investments are irrevocable charitable remainder trusts of $893 and $952 as of June 30, 2019 and 2018, respectively. Included in investments held for AECOM on the Consolidated Statements of Financial Position are $20,898 and $20,849 of irrevocable charitable remainder trusts as of June 30, 2019 and 2018, respectively.

The following tables present the fair value hierarchy for those assets reported at fair value in the Consolidated Statements of Financial Position as of June 30, 2019 and 2018. The fair value amounts presented below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Financial Position as of June 30, 2019 and 2018:

(in thousands of dollars)

Investment Strategy	2019 Level 1	2019 Level 2	2019 Level 3	2019 NAV	2019 Total
Cash and cash equivalents	$ 24,542	$ -	$ -	$ -	$ 24,542
Fixed income					
U.S. Government obligations	43,547	-	-	-	43,547
Mutual funds (fixed income)	23,573	-	-	-	23,573
Corporate debt	-	14,887	-	-	14,887
State of Israel bonds	-	295	-	-	295
Equities					
Corporate stocks	61,097	-	-	-	61,097
Mutual funds (equities)	39,337	-	-	-	39,337
Long-only equities	-	-	-	128,933	128,933
Long-short equities	-	-	-	114,484	114,484
Private equity	-	-	-	81,151	81,151
Venture capital	-	-	-	10,828	10,828
Marketable alternatives					
Multi-strategy/event-driven	-	-	-	122,988	122,988
Real assets	-	-	-	8,214	8,214
Real estate	-	-	-	14,759	14,759
Investment receivables	1	-	-	21,362	21,363
Other investments	(9)	1,727	-	-	1,718
	$ 192,088	$ 16,909	$ -	$ 502,719	711,716
Less: Unconsolidated Organizations' interests in the investments portfolio					(132,409)
Less: Investments held for AECOM					(39,962)
Total investments, at fair value					$ 539,345

Investment Strategy	2018 Level 1	2018 Level 2	2018 Level 3	2018 NAV	2018 Total
Cash and cash equivalents	$ 35,064	$ -	$ -	$ -	$ 35,064
Fixed income					
U.S. Government obligations	39,953	-	-	-	39,953
Mutual funds (fixed income)	42,777	-	-	-	42,777
Corporate debt	-	20,230	-	-	20,230
State of Israel bonds	-	-	270	-	270
Equities					
Corporate stocks	62,114	-	-	-	62,114
Mutual funds (equities)	45,635	-	-	-	45,635
Long-only equities	-	-	-	135,476	135,476
Long-short equities	-	-	-	150,377	150,377
Private equity	-	-	-	71,352	71,352
Venture capital	-	-	-	9,982	9,982
Marketable alternatives					
Multi-strategy/event-driven	-	-	-	131,692	131,692
Real assets	-	-	-	7,165	7,165
Real estate	-	-	4,241	12,178	16,419
Investment receivables	210	-	-	7,400	7,610
Other investments	315	-	1,742	-	2,057
	$ 226,068	$ 20,230	$ 6,253	$ 525,622	778,173
Less: Unconsolidated Organizations' interests in the investments portfolio					(138,440)
Less: Investments held for AECOM					(51,829)
Total investments, at fair value					$ 587,904

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. Management believes that the credit risk to these deposits is minimal.

(in thousands of dollars)

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 debt is valued based on quoted market prices or dealer or broker quotations and is categorized as Level 2. State of Israel bonds are recorded at face value, which approximates fair value, and are categorized as Level 2.

Equities
Equity investments include directly-held corporate stocks, public equities held in mutual funds, and 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 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 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 NAV provided by the investment manager. All such 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
Investment receivables include investments in limited partnerships where the University has placed redemption requests or provided prepaid subscriptions and are measured at NAV and accrued income earned not yet paid are measured at Level 1. All such investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy.

Other Investments
Other investments include life insurance policies and directly-held real estate property.

(in thousands of dollars)

The following table summarizes quantitative inputs and assumptions used for Level 3 investments for which fair value is based on unobservable inputs at June 30, 2018:

2018					
Investment Strategy		**Fair Value**	**Valuation Technique**	**Significant Unobservable Input**	**Range**
State of Israel bonds	$	270	Face value	N/A	N/A
Real estate		4,241	Discounted Cash Flow	Discount Rate Capitalization Rate	12.0% -15.0% 6.3% - 10.5%

For the State of Israel bonds, the University utilized a discounted cash flow method, which includes significant unobservable input for counterparty risk and a range of 2% - 3%, to determine that face value approximates fair value.

Excluded from the above table are “Other investments” classified in Level 3. These investments include life insurance policies, valued at policy surrender value, and directly-held real estate properties, held at carrying value.

The following table presents the University’s fiscal year 2018 activity for those assets classified as Level 3 within the fair value hierarchy:

	June 30, 2017	Purchases	Sales	Net Realized and Unrealized Gain (Loss)	June 30, 2018
State of Israel bonds	$ 160	$ 270	$ (160)	$ -	$ 270
Real estate	6,730	-	(2,682)	193	4,241
Other investments	1,715	-	-	27	1,742
Total level 3 investments	8,605	270	(2,842)	220	6,253
Trusts and split-interest agreements held by others	12,142	-	-	(280)	11,862
Total level 3 assets	$ 20,747	$ 270	$ (2,842)	$ (60)	$ 18,115

All net realized and unrealized gains (losses) in the table above are reflected in the Consolidated Statements of Activities. Net unrealized gains (losses) still held relating to Level 3 investments are ($545) at June 30, 2018. The University’s policy is to recognize transfers in and transfers out as of the end of the period. During the years ended June 30, 2019 and 2018, there were no significant transfers between Level 1 and Level 2. Transfers out of Level 3 Real Estate were due to the application of the NAV practical expedient in 2019. Transfers out of Level 3 Other Investments were due to insurance contracts valued using surrender value in 2019. Transfers out of State of Israel bonds were due to the use of unadjusted cost to approximate fair value.

The University has made investments in various long-lived partnerships and, in other cases, has entered into contractual agreements that may limit its ability to initiate redemptions due to notice periods, lock-ups and other restrictions. The University has also made commitments to provide capital to various limited partnerships, and under the terms of those agreements, the University is obligated to periodically advance additional funding. The University had commitments of

(in thousands of dollars)

approximately $150,524 and $139,437 at June 30, 2019 and 2018, respectively, to investment funds and limited partnerships for which capital calls had not been exercised. These amounts have not been recorded as liabilities in the Consolidated Statements of Financial Position. Such commitments generally have fixed expiration dates or other termination clauses. The University maintains sufficient liquidity in its investment portfolio to cover such calls.

Details on liquidity, restrictions by strategy and type of investment are provided below as of June 30, 2019 and 2018:

2019

	Monthly and More Frequent	Quarterly	Semi-Annually and Annually	Greater Than One Year	Redemptions Placed	Total	Current Year Notice Periods in Days
Investment strategy							
Cash and cash equivalents	$ 24,542	$ -	$ -	$ -	$ -	$ 24,542	N/A
Fixed income							
U.S. Government obligations	43,547	-	-	-	-	43,547	N/A
Mutual funds (fixed income)	23,573	-	-	-	-	23,573	N/A
Corporate debt	14,887	-	-	-	-	14,887	N/A
State of Israel bonds	-	-	-	295	-	295	`
Equities							
Corporate stocks	61,097	-	-	-	-	61,097	N/A
Mutual funds (equities)	39,337	-	-	-	-	39,337	N/A
Long-only equities	67,866	27,923	33,144	-	-	128,933	10–60
Long-short equities	-	33,022	38,175	30,035	13,252	114,484	30–90
Private equity	-	-	-	81,151	-	81,151	N/A
Venture capital	-	-	-	10,828	-	10,828	N/A
Marketable alternatives							
Multi-strategy/event-driven	-	55,038	65,533	-	2,417	122,988	60–90
Real assets	-	-	-	8,214	-	8,214	N/A
Real estate	-	-	-	14,759	-	14,759	N/A
Investment receivables	286	21,077	-	-	-	21,363	N/A
Other investments	285	-	-	1,433	-	1,718	N/A
Total investments, at fair value	$ 275,420	$ 137,060	$ 136,852	$ 146,715	$ 15,669	$ 711,716	

2018

	Monthly and More Frequent	Quarterly	Semi-Annually and Annually	Greater Than One Year	Redemptions Placed	Total	Notice Periods in Days
Investment strategy							
Cash and cash equivalents	$ 35,064	$ -	$ -	$ -	$ -	$ 35,064	N/A
Fixed income							
U.S. Government obligations	39,953	-	-	-	-	39,953	N/A
Mutual funds (fixed income)	42,777	-	-	-	-	42,777	N/A
Corporate debt	20,230	-	-	-	-	20,230	N/A
State of Israel bonds	-	-	-	270	-	270	N/A
Equities							
Corporate stocks	62,114	-	-	-	-	62,114	N/A
Mutual funds (equities)	45,635	-	-	-	-	45,635	N/A
Long-only equities	69,210	33,083	33,183		-	135,476	10–60
Long-short equities	-	17,219	68,361	50,554	14,243	150,377	30–90
Private equity	-	-	-	71,352	-	71,352	N/A
Venture capital	-	-	-	9,982	-	9,982	N/A
Marketable alternatives							
Multi-strategy/event-driven	-	58,652	69,330	-	3,710	131,692	45–90
Real assets	-	-	-	7,165	-	7,165	N/A
Real estate	-	-	-	16,419	-	16,419	N/A
Investment receivables	486	7,124	-	-	-	7,610	N/A
Other investments	628	-	-	1,429	-	2,057	N/A
Total investments, at fair value	$ 316,097	$ 116,078	$ 170,874	$ 157,171	$ 17,953	$ 778,173	

As of June 30, 2019, a total of $16,288 within the long-short equities investment strategy is locked up until a future date. As of June 30, 2018, a total of $57,177 within the long-short equities investment strategy is locked up until a future date.

(in thousands of dollars)

The University has placed redemptions with certain investments that are in the process of fully redeeming, are in liquidation or are side-pocketed. Payout from these investments is subject to when the investment manager determines and has the ability to sell the underlying assets to generate cash for payment. As such, payout of such investments may take a significant and indeterminable amount of time.

Details on unfunded commitments by investment strategy are provided below as of June 30, 2019 and 2018:

2019

	Unfunded Commitments by Date of Fund Termination			
Investment Strategy	**0–3 Years**	**4–5 Years**	**Greater Than 5**	**Total**
Marketable alternatives				
Multi-strategy/event driven	$ -	$ -	$ -	$ -
Equities				
Long-short equities	15,000	-	-	15,000
Private equity	7,385	4,054	42,423	53,862
Venture capital	532	-	61,592	62,124
Real assets	5,401	1,156	-	6,557
Real estate	2,581	-	10,400	12,981
	$ 30,899	$ 5,210	$ 114,415	$ 150,524

2018

	Unfunded Commitments by Date of Fund Termination			
Investment Strategy	**0–3 Years**	**4–5 Years**	**Greater Than 5**	**Total**
Marketable alternatives				
Multi-strategy/event driven	$ 21,000	$ -	$ -	$ 21,000
Equities				
Long-short equities	15,000	-	-	15,000
Private equity	8,836	-	50,895	59,731
Venture capital	535	-	12,290	12,825
Real assets	5,767	-	1,881	7,648
Real estate	2,581	-	20,652	23,233
	$ 53,719	$ -	$ 85,718	$ 139,437

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, 2019 and 2018.

(in thousands of dollars)

Net Investment Return

Net investment return for the years ended June 30, 2019 and 2018 is as follows:

	2019	2018
Investment income	$ 8,751	$ 6,476
Investment expenses	(2,211)	(2,842)
Net realized and unrealized gains	6,441	33,497
Net investment return	$ 12,981	$ 37,131

Investment Support Appropriated From LTPool

In fiscal year 2019, investment support appropriated from the LTPool was $30,272, inclusive of appropriation from endowments of $25,836, of which $27,908 was utilized. In fiscal year 2018, investment support appropriated from the LTPool was $30,807, inclusive of appropriation from endowments of $25,985, of which $28,619 was utilized.

5. Endowment

The University's endowment consists of approximately 1,200 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.

The University classifies as net assets with donor restrictions: (a) the original value of contributions donated to the permanent endowment, (b) the original value of subsequent contributions to the permanent endowment, (c) accumulations to the permanent endowment required by the applicable donor gift instrument and (d) appreciation related to donor-restricted endowment funds. When appreciation is appropriated for expenditure and utilized, those amounts are reclassified to net assets without donor restrictions.

The following represents the University's endowment net asset composition by type of fund as of June 30, 2019 and 2018:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 496,481	$ 496,481
Board-designated endowment funds	4,020	3,453	7,473
Total endowment net assets	$ 4,020	$ 499,934	503,954
Other investments, net			35,391
Total investments			$ 539,345

(in thousands of dollars)

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 507,264	$ 507,264
Board-designated endowment funds	4,122	3,459	7,581
Total endowment net assets	$ 4,122	$ 510,723	514,845
Other investments, net			73,059
Total investments			$ 587,904

The tables above do not include endowed related pledge receivables, loan funds and other funds of $39,389 and $43,342 for the years ended June 30, 2019 and 2018, respectively.

Changes in endowment net assets for the year ended June 30, 2019 were as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2018	$ 4,122	$ 510,723	$ 514,845
Endowment income, net of expenses	39	4,668	4,707
Net realized and unrealized gains (losses) on endowments	58	6,782	6,840
Net endowment return	97	11,450	11,547
Contributions	-	3,455	3,455
Appropriation of endowment assets per spending policy	(200)	(25,636)	(25,836)
Transfers, withdrawals and other changes	1	(58)	(57)
Endowment net assets at June 30, 2019	$ 4,020	$ 499,934	$ 503,954

(in thousands of dollars)

Changes in endowment net assets for the year ended June 30, 2018 were as follows:

	2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets at June 30, 2017	$ 4,061	$ 502,119	$ 506,180
Endowment income, net of expenses	24	2,988	3,012
Net realized and unrealized gains on endowments	239	27,548	27,787
Net endowment return	263	30,536	30,799
Contributions	-	4,686	4,686
Appropriation of endowment assets per spending policy	(202)	(25,783)	(25,985)
Transfers, withdrawals and other changes	-	(835)	(835)
Endowment net assets at June 30, 2018	$ 4,122	$ 510,723	$ 514,845

The New York Prudent Management of Institutional Funds Act ("NYPMIFA") contains provisions that govern appropriation and use, among other things, of donor-restricted endowment funds. NYPMIFA updated certain provisions of prior endowment management law.

Under NYPMIFA, a detailed prudence standard governs appropriation from endowment funds, and there is no longer a requirement to always maintain historic dollar value. Prudent appropriation from a fund whose value is less than its historic dollar value is permitted under certain circumstances. In particular, NYPMIFA provides that, unless a donor expresses a contrary intention in a gift instrument, a charitable institution may appropriate as much of an endowment fund as it "determines is prudent for the uses, benefits, purposes and duration for which the fund is established," without regard for historic dollar value. NYPMIFA retains the requirement that in making any decision to appropriate, "the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances." It further provides a requirement that the institution "shall consider, if relevant" the following eight factors in deciding whether or not to appropriate from a fund:

- The duration and preservation of the endowment fund.
- The purposes of the Institution and the endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Institution.
- Alternatives to expenditure of the endowment fund.
- The investment policy of the Institution.

(in thousands of dollars)

The provisions of NYPMIFA allowing prudent appropriation without regard to historic dollar value apply to funds created after its September 2010 effective date. Donors of funds created before that date were given the option of requiring institutions to continue to observe the historic dollar value restrictions contained in prior law. Some donors of University funds have elected this option. Moreover, a donor may incorporate in a gift instrument specific restrictions on appropriation that are different from either NYPMIFA or prior law.

Certain of the University's funds are governed by such restrictions. Thus, the University has funds that fall into three categories with respect to appropriation: those from which it may prudently appropriate without regard to historic dollar value; those from which it may prudently appropriate appreciation only above historic dollar value; and those whose appropriation is governed by specific instructions in the governing gift instrument.

The investment objectives for the University's endowment are to preserve the principal value of those funds (noting guidance above regarding appropriation), in both absolute as well as real terms, and to maximize over the long-term the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board of Trustees has adopted a spending policy.

The University's spending policy is consistent with the University's objectives to utilize income to support mission-critical programs while preserving capital and ensuring future growth of the endowment. Under the policy, and as approved by the Board of Trustees, the long-term focus of the endowment is to support the University's mission by providing a reliable source of funds for current and future use.

The University utilizes a spending rate in allocating appreciation earned on assets invested in the LTPool. For fiscal year 2019 the spending rate policy consisted of appropriating 5% of the fair value per unit in the LTPool, based on a twelve-quarter average value through December 31 of the previous year. When donors have expressly stipulated the payout percentage of earnings on endowment that differs from the University's policies, the donors' intent prevails. For fiscal years 2019 and 2018, the University approved an additional appropriation of approximately $2,431 from certain accessible endowment gains in accordance with NYPMIFA guidelines.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift value, which represents the total of the initial and subsequent donor contribution amounts. When this occurs, the deficit is classified as a reduction of donor restricted net assets. Deficits existed in various donor-restricted endowment funds as of June 30, 2019 and June 30, 2018 which combined had an original gift value of $69,540 and $48,819 at June 30, 2019 and June 30, 2018, respectively, and a current market value of $58,346 and $38,759 at June 30, 2019 and June 30, 2018, respectively, resulting in a deficiency of $11,194 and $10,060 at June 30, 2019 and June 30, 2018, respectively. These deficiencies resulted from market fluctuations that occurred after the investment of recent contributions and authorized appropriation from an endowment that was deemed prudent.

The Manhattan Campuses had a balance of prior borrowings from the LTPool utilized to fund operations of $13,093 and $12,773 at June 30, 2019 and 2018, respectively. This amount included gains of $320 and $802 in fiscal 2019 and 2018, respectively, and is reported as a reduction to the investment balance in the Consolidated Statements of Financial Position as of June 30, 2019 and 2018. AECOM's share of this borrowing amounted to $5,237 out of the $13,093 for fiscal 2019, which

(in thousands of dollars)

is included in investments held for AECOM. In accordance with the Joint Collaboration Agreement, the University will repay AECOM's share (plus accrued interest) over a ten year period commencing on September 9, 2020; and interest is accrued annually based on the equivalent return on the LTPool.

6. Receivables and Other Assets

Student Receivables, Net

The tables below provide disclosures about the student loan receivables as well as student tuition receivables at June 30, 2019 and 2018.

	2019		
	Receivable	Allowance	Net Receivable
Federal revolving loans	$ 5,355	$ (1,361)	$ 3,994
Institutional loans	32,274	(8,259)	24,015
Accrued interest	6,416	(4,783)	1,633
Total student loan receivables	44,045	(14,403)	29,642
Total student tuition receivables	13,162	(6,548)	6,614
Total student receivables	$ 57,207	$ (20,951)	$ 36,256

	2018		
	Receivable	Allowance	Net Receivable
Federal revolving loans	$ 6,120	$ (1,325)	$ 4,795
Institutional loans	31,612	(7,553)	24,059
Accrued interest	5,904	(4,352)	1,552
Total student loan receivables	43,636	(13,230)	30,406
Total student tuition receivables	9,914	(5,905)	4,009
Total student receivables	$ 53,550	$ (19,135)	$ 34,415

	2019					
	Federal Revolving	Institutional	Accrued Interest	Total Loans Allowance	Student Receivables	Gross Allowances
Allowance at beginning of year	$ (1,325)	$ (7,553)	$ (4,352)	$ (13,230)	$ (5,905)	$ (19,135)
Current year provisions	(36)	(706)	(431)	(1,173)	(643)	(1,816)
Allowance at end of year	$ (1,361)	$ (8,259)	$ (4,783)	$ (14,403)	$ (6,548)	$ (20,951)

	2018					
	Federal Revolving	Institutional	Accrued Interest	Total Loans Allowance	Student Receivables	Gross Allowances
Allowance at beginning of year	$ (1,312)	$ (7,108)	$ (3,904)	$ (12,324)	$ (5,849)	$ (18,173)
Current year provisions	(13)	(445)	(448)	(906)	(56)	(962)
Allowance at end of year	$ (1,325)	$ (7,553)	$ (4,352)	$ (13,230)	$ (5,905)	$ (19,135)

(in thousands of dollars)

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.

Contribution Receivables, Net

Contribution receivables, net consisted of the following at June 30, 2019 and 2018:

	2019	2018
Amount expected to be collected in		
Less than one year	$ 68,803	$ 16,232
One to five years	22,885	63,591
Greater than five years	20,850	20,848
	112,538	100,671
Less:		
Discount to present value (1.49%–6.00%)	(4,809)	(7,178)
Allowance for uncollectible amounts	(47,280)	(43,665)
Total contribution receivables, net	$ 60,449	$ 49,828

As of June 30, 2019, and 2018, approximately 72% and 80%, respectively, of gross contribution receivables were from five donors. The allowance in 2019 and 2018 includes approximately $43,000 and $40,000, respectively, related to the collectability of pledges from a long-term donor due to changes in circumstances.

Other Assets and Receivables

Other assets consisted of grant receivables, prepaid expenses, 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 the University's 457(b) deferred compensation plan (Note 8).

The University has a lease agreement with Montefiore, whereby exclusive occupation, management, and control of Jack D. Weiler Hospital of Albert Einstein College of Medicine ('WHAECOM") is with Montefiore. This lease was amended as part of the Transaction (Note 1), and the revenue from the lease is now allocated to Manhattan Campuses instead of Einstein. The lease term was extended, and the annual lease payment was increased to $2,500, effective as of September 9, 2015, with annual increases thereafter of 2% compounded annually through 2114. The rental income on this lease is recognized evenly over the life of the lease, and accordingly, a rent receivable of $28,101 and $23,129 is included in other assets and receivables in the Consolidated Statements of Financial Position at June 30, 2019 and 2018, respectively.

As of June 30, 2019, the University, as a lessor, is expecting to receive as minimum future lease payments for WHAECOM the following amounts over the next 5 years and thereafter:

	2020	2021	2022	2023	2024	Thereafter	Total
Minimum lease income	$ 2,706	$ 2,760	$ 2,815	$ 2,872	$ 2,929	$ 738,438	$ 752,520

(in thousands of dollars)

Included in other assets and receivables are amounts due from unconsolidated organizations. The University charges RIETS and the High Schools for management services (such as accounting, treasury operations, human resources, procurement, legal, and other administrative services) as well as facilities maintenance. The fees for these services to RIETS were $2,500 for each of the years ended June 30, 2019 and 2018. The cost of these services to the High Schools was $1,300 and $1,100 for the years ended June 30, 2019 and 2018, respectively. The University's inter-company receivable from RIETS is $495 and $1,783 at June 30, 2019 and 2018, respectively. The University's inter-company receivable from the High Schools is $1,546 and $1,056 at June 30, 2019 and 2018, respectively.

The University provided a subsidy to forgive the High Schools of $2,200 and $1,446 for the years ended June 30, 2019 and 2018, respectively, related to University-funded advances.

7. Land, Buildings and Equipment, Net

Land, buildings and equipment, net consisted of the following at June 30, 2019 and 2018:

	2019	2018
Land	$ 13,717	$ 13,717
Buildings and improvements	392,756	387,096
Equipment, furniture and fixtures	26,850	26,296
Capitalized asbestos remediation costs	3,945	3,945
	437,268	431,054
Less: Accumulated depreciation and amortization	(251,063)	(238,058)
Total land, buildings and equipment, net	$ 186,205	$ 192,996

Depreciation and amortization expense related to buildings and equipment for the years ended June 30, 2019 and 2018 was $13,005 and $12,972, respectively. The University wrote off fully depreciated assets of $1,953 during the year ended June 30, 2018.

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, 2019 and 2018 was $3,770 and $3,046, 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 $12,491 and $12,547 as of June 30, 2019 and 2018, respectively. The assets primarily consist of mutual funds and a guaranteed interest account classified as Level 1 based on the fair value hierarchy described in Note 4. These assets of the 457(b) plan for the years ended June 30, 2019 and 2018 were $9,394 and $9,223, respectively.

(in thousands of dollars)

The contract value of the guaranteed interest account for the years ended June 30, 2019 and 2018 was $3,097 and $3,324, respectively.

Offsetting liabilities that relate to this plan are included in other liabilities as of June 30, 2019 and 2018.

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 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 employees. The risks of participating in a multi-employer plan 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 the University chooses to stop participating in the multi-employer plan, the University may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

In connection with the Joint Collaboration Agreement (Note 1), substantially all 1199 union employees of Einstein were hired by AECOM. As a result, the Transaction did not result in any withdrawal liability for the University. As required by ERISA, in the event that AECOM withdraws from the plan during the first five years and fails to pay its withdrawal liability, the University will be secondarily liable. AECOM has assumed all obligations under the plan and as part of the Transaction agreed to make the required plan contributions.

The University contributed $1,042 and $1,041 in cash and recorded expenses for the multi-employer plan for fiscal 2019 and 2018, respectively. The University's contributions to the 1199 Pension Fund represent less than 5% of its total contributions to all retirement plans.

The following table includes additional disclosure information related to the 1199 Pension Fund.

Plan Name	EIN Plan Number /Pension	Pension Protection Act Zone Status 2019	Pension Protection Act Zone Status 2018	FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
1199 Pension Fund	13-3604862/001	Green	Green	N/A	No	September 30, 2021

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

(in thousands of dollars)

9. Bonds Payable and Other Debt

Details of the bonds payable and other debt as of June 30, 2019 and 2018 are as follows:

Description	Maturity Date	Interest Rate	2019	2018
Bonds payable - DASNY Bonds				
Series 2011A [a]	November 1, 2040	4.00%–5.00%	$ 48,825	$ 50,970
Series 2009 [b]	September 1, 2038	4.00%–5.00%	96,740	99,540
Principal subtotal			145,565	150,510
Add: Unamortized premiums			(169)	240
Less: Unamortized bond issuance costs			(1,517)	(1,692)
Subtotal - Bonds payable - DASNY Bonds			143,879	149,058
Mortgages payable	Varied	3.13%–4.17%	4,554	4,754
Y Properties notes [c]	May 6, 2032	4.32%	140,000	140,000
Less: Unamortized loan issuance costs			(2,813)	(3,010)
Total bonds payable and other debt			$ 285,620	$ 290,802

[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, and 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 $423 and $657 were unamortized as of June 30, 2019 and 2018, respectively.

[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 4% to 5% with principal payments due at various dates commencing September 1, 2016, and a final maturity date of September 1, 2038. The Series 2009 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 2009 Bonds. A portion of the proceeds of the Series 2009 Bonds was used for the payment of, or to reimburse the University for the payment of, certain capital expenditures. A portion of the Series 2009 Bonds was used to refund the outstanding DASNY Series 1998 Bonds. The Series 2009 Bonds were issued with a net premium of $1,386, of which $(592) and ($416) were unamortized as of June 30, 2019 and 2018, respectively.

(in thousands of dollars)

(c) In April 2017, in connection with the refinancing of certain private placement taxable bonds, the University transferred ownership of five mortgaged properties to Y Properties, a special purpose entity of which the University is the sole member (Note 1). Y Properties entered into a secured loan agreement with certain lenders whereby it issued notes in the aggregate principal amount of $140,000 which are secured by a mortgage on the five properties owned by Y Properties. The terms of the notes are for 15 years, and the notes currently bear interest at a rate of 4.324% per annum. Until June 2021, Y Properties will make interest only payments; subsequent payments will include a portion of the principal amount outstanding, using a 30 year amortization table.

As part of the loan, the University entered into a unitary lease with Y Properties, whereby the University will continue to use the mortgaged properties as a tenant pursuant to a long term operating lease and make monthly rent payments to Y Properties, initially in the approximate amount of $1,590. Payments in excess of debt service and certain operating costs of Y Properties are distributed to the University as the sole member, on a monthly basis. As controlling member, the University includes the operations of Y Properties in its consolidated financial statements, and accordingly all intercompany revenue, expenses, equity transfers and distributions are eliminated in consolidation.

Projected debt service payments on the bonds, mortgages payable and notes are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2020	$ 6,560	$ 13,217	$ 19,777
2021	5,725	12,924	18,649
2022	8,151	12,504	20,655
2023	8,547	12,113	20,660
2024	8,923	11,734	20,657
Thereafter	252,213	63,935	316,148
	$ 290,119	$ 126,427	$ 416,546
Unamortized premium	(169)		
Unamortized issuance costs	(4,330)		
Total projected debt service payments	$ 285,620		

Interest expense on the bonds and other debt for the years ended June 30, 2019 and 2018 was $12,980 and $13,092, respectively.

10. Asset Retirement Obligations

The University has asset retirement obligations for asbestos-related removal costs. The University accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability amount recorded.

(in thousands of dollars)

A reconciliation of the beginning and ending carrying amounts of such obligations is as follows:

	2019	2018
Asset retirement obligations at June 30, 2018 and 2017	$ 9,403	$ 9,455
Accretion expense	149	171
Asset retirement obligations settled or eliminated	-	(223)
Asset retirement obligations at June 30, 2019 and 2018	$ 9,552	$ 9,403

11. Due to AECOM

Included in the Consolidated Statements of Financial Position are certain assets that are being held for AECOM due to the Transaction (Note 1).

The following are liabilities payable to AECOM that the University has recognized as of June 30, 2019 and 2018:

	2019	2018
Investments held pending transfer	$ 39,962	$ 51,829
Cash and cash equivalents	672	1,828
Other assets and receivables		
457B plan	1,939	2,062
Workers compensation	2,341	2,341
Faculty mortgages	303	323
Total due to AECOM	$ 45,217	$ 58,383

12. Allocation of Operating Expenses

The accompanying Consolidated Statements of Activities report expenses by functional classification in accordance with the educational mission of the University in categories recommended by the National Association of College and University Business Officers. The University's primary program services are instruction. Expenses reported as Academic support, Student services and Auxiliary enterprises are incurred in support of these primary services. Institutional support includes general and administrative expenses of the University.

Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Depreciation, operations and maintenance expense are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories that have benefited from the associated debt.

(in thousands of dollars)

Expenses by functional and natural classification, after allocating operations and maintenance, depreciation, and interest, are as follows for the years ended June 30, 2019 and 2018:

	2019					
	Instruction	**Academic support**	**Student services**	**Institutional support**	**Auxiliary enterprises**	**Total**
Direct expenses:						
Compensation and benefits	$ 52,949	$ 24,504	$ 12,953	$ 23,486	$ 2,813	$ 116,705
Fees for services	1,021	2,005	572	12,612	58	16,268
Study abroad expenses	12,063	7	-	-	-	12,070
Othan than personel services	7,043	7,514	6,573	6,342	2,518	29,990
Total direct expenses	73,076	34,030	20,098	42,440	5,389	175,033
Allocated expenses:						
Operations and maintenance	9,571	4,578	2,704	5,970	5,820	28,643
Depreciation	4,614	2,207	1,304	2,878	1,218	12,221
Interest	5,008	2,395	1,415	3,123	1,039	12,980
Total allocated expenses	19,193	9,180	5,423	11,971	8,077	53,844
Year ended June 30, 2019	$ 92,269	$ 43,210	$ 25,521	$ 54,411	$ 13,466	$ 228,877

	2018					
	Instruction	**Academic support**	**Student services**	**Institutional support**	**Auxiliary enterprises**	**Total**
Direct expenses:						
Compensation and benefits	$ 53,102	$ 21,152	$ 12,086	$ 24,574	$ 2,596	$ 113,510
Fees for services	1,178	2,468	291	14,602	140	18,679
Study abroad expenses	11,497	34	-	-	-	11,531
Othan than personel services	7,501	9,370	6,986	5,825	2,287	31,969
Total direct expenses	73,278	33,024	19,363	45,001	5,023	175,689
Allocated expenses:						
Operations and maintenance	8,960	4,038	2,367	5,502	5,321	26,188
Depreciation	4,744	2,138	1,254	2,914	1,136	12,186
Interest	5,171	2,330	1,366	3,176	1,049	13,092
Total allocated expenses	18,875	8,506	4,987	11,592	7,506	51,466
Year ended June 30, 2018	$ 92,153	$ 41,530	$ 24,350	$ 56,593	$ 12,529	$ 227,155

Fundraising expenses are included in institutional support. For the years ended June 30, 2019 and 2018, such costs were $8,864 and $9,290, respectively. For purposes of reporting fundraising expenses, the University includes only those fundraising costs incurred by its development office.

13. Scholarships and Tuition Transfers to AECOM

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

	2019	**2018**
University unfunded support	$ 74,025	$ 67,582
University funded support	17,424	17,424
	$ 91,449	$ 85,006

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

(in thousands of dollars)

scholarships funded from restricted and external sources, including federal grant programs, private giving and endowment support.

As part of the affiliation with AECOM the University continued as the degree-granting institution for all Einstein students until AECOM received its accreditation in March 2019, the University remains the degree-granting institution for Einstein's international students (Note 1). The University transferred to AECOM gross tuition of $45,739 and $49,504, less a scholarship allowance of $11,341 and $19,435, for a net tuition transfer of $34,398 and $30,069 for the years ended June 30, 2019 and 2018, respectively.

14. Net Assets Released From Restrictions

Net assets released from restrictions during June 30, 2019 and 2018 were released for the following purposes:

	2019	2018
Academic chairs and support	$ 1,492	$ 2,293
Facility maintenance	359	1,510
Fellowships	1,628	1,715
Instruction, training and lectureships	4,168	4,659
Other	9,694	8,213
Public service	242	251
Research	9	254
Student scholarships	5,827	9,016
Time restricted pledges	1,692	1,219
	$ 25,111	$ 29,130

15. Net Assets

The composition of the University's net assets with donor restrictions as of June 30, 2019 and 2018 are as follows:

Nature of Specific Net Assets:	2019	2018
Academic chairs and support	$ 81,596	$ 84,752
Facility maintenance	8,547	6,745
Faculty scholars and fellowships	26,871	27,530
Instruction, training and lectureships	93,030	103,156
Library	4,679	4,829
Other	81,540	73,806
Public service	2,771	2,331
Research	5,333	5,256
Revolving fund for special projects	52,019	51,238
Student loans	15,034	14,899
Student scholarships	226,989	234,867
Trusts held by others in perpetuity	4,431	4,504
Time restricted pledges	9,267	1,728
	$ 612,107	$ 615,641

(in thousands of dollars)

16. Contingencies

The University is a party to various litigation and other claims arising in the ordinary course of business. In the opinion of management, appropriate provision has been made for possible losses, and the ultimate resolution of these matters will not have a significant effect on the University's consolidated financial statements.

Amounts received and expended by the University under various federal and state grants and contracts are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the University's consolidated financial statements.

17. Subsequent Events

Commencing in August 2019, and pursuant to the enactment of New York's Child Victims Act (which extended the statute of limitations for the filing of claims of child sexual abuse and provided a one year window for the filing of previously time-barred claims commencing August 2019 through August 2020), two lawsuits were filed, and a few others threatened. All but one of those claims were asserted by former students of Yeshiva University High School for Boys; the other claim asserts abuse while participating in a youth program allegedly operated or sponsored by the University. Such claims principally allege abuse during the 1970s and 1980s. The cases are in the earliest stages; the University and the High School have retained defense counsel, but they have not yet been required to answer or otherwise respond to the complaints. The University and the High School have insurance policies covering the applicable time periods in question, and do not believe that such litigation will have a material adverse financial impact.

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 December 20, 2019, which is the date the consolidated financial statements were issued.