

# Columbia University

## *financial report*

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## Operating Highlights of the Financial Statements

(in thousands of dollars)

<i>Years Ended June 30</i>	<b>2000</b>	<b>1999</b>
<b>Major Sources of Revenues and Support (A)</b>		
Tuition and fees, less financial aid grants		
Government grants and contracts	\$ 326,922	\$ 308,015
Private gifts, grants, and contracts (excludes endowment gifts)	391,035	345,212
Receipts from other educational and research activities	237,855	189,581
Medical faculty practice plans	316,993	252,914
Investment income and gains utilized to fund budgeted operations	269,585	248,027
	169,913	154,628
<b>Major Operating Expenditures (A)</b>		
Instruction, research, and educational administration		
Medical faculty practice plans	914,030	802,675
Library	267,959	250,330
Operation and maintenance of plant	35,056	33,601
University administration	78,518	72,528
Depreciation	75,745	67,048
Interest expense	94,719	83,578
	36,651	41,409
<b>Net Assets</b>		
Unrestricted		
Temporarily restricted	3,952,924	3,314,288
Permanently restricted	689,987	577,134
	1,047,480	964,602
<b>Net Assets by Fund Group</b>		
Current funds	445,884	326,192
Student loan funds	15,107	13,571
Endowment and similar funds	4,263,972	3,636,621
Plant funds	525,422	493,666
Pledges	201,232	170,759
Interest in perpetual trusts held by others	144,237	132,092
CPMC Fund, Inc.	94,537	83,123
<b>Capitalized Construction Costs (C)</b>		
	156,231	137,855
<b>Students</b>		

Total enrollment	22,252	21,624
Undergraduate	6,748	6,566
Graduate and professional	13,388	13,053
Nondegree	2,116	2,005
Total degrees awarded	7,040	6,849
Undergraduate	1,577	1,450
Graduate and professional	5,463	5,399

*(A) See Statement of Activities*

*(B) See Balance Sheet*

*(C) Capitalized construction costs include cash outlays for expenditures on plant and Institutional Real Estate properties, not including equipment. Institutional Real Estate properties are recorded as investments on the Balance Sheet.*

## 2000 Financial Report



The operating year ended June 30, 2000, marking Columbia's transition to the new millennium, extended the University's strong financial performance of the 1990s. As the individual schools of the University maintained or increased their student selectivity and the faculty continued to attract increased external grants for research, total cash gifts rose (for the eighth consecutive year) to \$292.3 million; and University total assets, aided by a \$627.4 million increase in endowment assets, grew by \$803.9 million to \$6.751 billion. Reflecting the academic excellence that continues to underpin University finances, revenues across the institution continued their strong growth, increasing by 13.7 percent and contributing to a favorable operating balance of \$135.1 million for the year.

### Operating Results

University revenues grew rapidly in the year ended June 30, 2000, increasing by \$215.4 million to \$1.789 billion. Expenditures rose by 11 percent to \$1.573 billion, resulting in an increase in net assets before nonoperating activities of \$216.0 million. Of this increase, assets invested to support future operations accounted for \$44.7 million, and growth in plant net assets and funds available for construction for another \$36.2 million, leaving \$135.1 million as the increase in net assets to

A record level of fund-raising supported University operations in the year ended June 30, 2000. Cash gifts received totaled \$292.3 million, including \$83.1 million in corporate and foundation support for University programs, \$106.7 million in other support of current operations, \$83.3 million in gifts to endowment, and \$19.2 million for capital construction. The University's Statement of Activities for 1999-2000, which reports new pledges and cash not previously pledged, while excluding gifts in kind and gifts to outside trusts, reports \$237.8 million in private gifts, grants, and contracts in direct support of operations and further identifies, in the nonoperating section of the statement, \$70.8 million in endowment and student loan gifts.

Continued high rates of return on endowment investments have allowed spending from the University's endowment to rise significantly. Endowment spending is guided by the revised endowment spending policy adopted by the Board of Trustees of the University in advance of the 1998-99 operating year. Budgeted spending from pooled endowment assets in the year ended June 30, 2000, equaled \$119.6 million, an increase of 18.6 percent over the amount distributed in the prior operating year. Additional distributions from the endowment totaling \$11.8 million were made during the year to cover capital construction needs and other special expenditures, and to reduce overdrafts, bringing the overall spending rate from the University's

support current operations. In the same period, the University's cash and cash equivalents increased by \$27.0 million to \$365.2 million.

Revenues earned by the University's fifteen schools continued their steady growth in the 1999-2000 operating year. Accompanied by a 2.9 percent rise in enrolled students, from 21,624 to 22,252, income from tuition and fees, before deducting financial aid grants, climbed by \$31.3 million to \$435.7 million, a 7.7 percent increase. Revenue for research activities, in the form of government grants and contracts, rose sharply by \$45.8 million, or 13.3 percent, to \$391.0 million. Nonetheless, as in the prior two operating years, the most dramatic revenue increase occurred in receipts from other educational and research activities, which for the third year running grew by over 20 percent, in this case by 25.3 percent, to \$317.0 million. The primary contributor to this rise was the \$46.8 million increase in royalty and licensing income from patents held by the University to a 1999-2000 operating year total of \$142.6 million, the highest in the nation for both private and public universities. The remaining significant category of revenue earned at the University, income from medical faculty practice plans, rose by 8.7 percent to \$269.6 million, closely matched by practice plan costs of \$268.0 million. (An assessment on practice plan revenue supports teaching and other activities in the College of Physicians and Surgeons.)

endowment, as a percentage of the prior year's beginning market value, to 4.2 percent. As reported in the Statement of Activities, a total of \$169.9 million in investment income and gains was used in the 1999-2000 operating year to fund budgeted operations, including, in addition to endowment proceeds, \$50.0 million generated by the following: interest income on current funds, income from separately invested endowment funds, net operating income of the University's real estate operations, and income earned on funds held by the New York State Dormitory Authority.

In comparison with the 13.7 percent growth in University revenues, University expenditures for the 1999-2000 operating year, as mentioned earlier, rose by 11.0 percent. Reflecting the University's priorities, the growth rate for core program areas (instruction, research, educational administration, and libraries) was substantially higher, at 13.5 percent. Across the University, salary expenditures increased by 10.4 percent, while fringe benefit costs rose by 7.4 percent, propelled upward, in part, by the growth of the University's wage base. For the year, the favorable difference between revenue and expenditure growth increased the reserves that support future budgetary flexibility

## 2000 Financial Statements

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### Introduction to the Financial Statements

The University, in common with most not-for-profit institutions, has used "fund accounting" to manage and report on its financial operations. At the core of fund accounting is the need for educational and other not-for-profit institutions to manage and account for gifts and grants from donors and public agencies according to the limitations that exist on their use. The University maintains a large number of funds with separate accounts both to ensure and to demonstrate its compliance with these limitations.

The University's audited financial statements are prepared in the formats required by the Financial Accounting Standards Board (FASB) in its Statements of Financial Accounting Standards (SFAS) Nos. 116 and 117. These standards are intended to provide a perspective on the financial condition of not-for-profit organizations that is closer to the view offered by for-profit accounting practices, which focus on net assets rather than on the fund balances central to fund accounting. The resources available to each institution are reflected in their classification of net assets into three categories--unrestricted, temporarily restricted, and permanently restricted--each category defined according to the extent to which it is subject to donor-imposed restrictions. Pledges of future contributions are also recognized at their fair value as assets.

The SFAS Nos. 116 and 117 require institutional financial statements to present three reports--the Balance Sheet, the Statement of Activities, and the Statement of Cash Flows. The University's statements provide 2000 data with comparative 1999 totals for each report. Within the Balance Sheet,

the University has classified its assets, liabilities, and net assets into three groups--University operations, long-term investments, and plant. The category "University operations" reflects the assets and liabilities supporting the day-to-day operations of the University. Many of the resources included here are accounted for in the University's operating budget. Long-term investments are those assets and liabilities that have traditionally been referred to as endowment and similar funds. Plant assets include, primarily, the physical plant of the University and cash and pledges for support of construction projects, while bonds and notes payable in support of construction are reflected as a liability.

The second financial report, the Statement of Activities, segregates revenues and expenses by net asset category--unrestricted, temporarily restricted, and permanently restricted--and measure the change in net assets for the fiscal year. The changes in net assets are separated into increases before nonoperating activities (reflecting most items of revenue and expense within the University) and increases from nonoperating activities (primarily realized and unrealized capital gains not used to support operations, and capital gifts).

The third and final report is the Statement of Cash Flows, which reconciles the annual change in operating cash and cash equivalents with the total change in net assets, as reported on the Statement of Activities. The Statement of Cash Flows is divided into three sections: net cash provided by operating activities; net cash used by investing activities; and net cash provided by financing activities.

[2000 Financial Report](#) | [Table of Contents](#) | [Balance Sheet](#)

**Balance Sheet**at June 30, 2000, with Comparative 1999 Totals(*in thousands of dollars*)

	University Operations	Long-Term Investments	Plant	Total 2000	Total 1999
<b>Assets</b>					
Cash and cash equivalents	\$363,247	\$1,945		\$365,192	\$338,187
Accounts receivable, net:					
Government agencies	47,835			47,835	40,772
Patient receivables	85,090			85,090	84,243
Other	82,876		771	83,647	64,582
Student loans receivable, net	74,382			74,382	73,541
Investment income receivable	12,463			12,463	9,160
Pledges receivable, less allowance	68,701	86,449	46,082	201,232	170,759
Interfund receivable/(payable)	86,097		(86,097)		
Net assets held by CPMC Fund, Inc.		94,537		94,537	83,123
Cash and securities held in trust by others	2,904		36,294	39,198	70,919
Investments, at market	26,353	4,352,466		4,378,819	3,784,935
Due from/(to) brokers		20,986		20,986	(12,839)
Land, buildings, and equipment, net			1,170,117	1,170,117	1,089,354
Interest in perpetual trusts held by others		144,237		144,237	132,092
Other assets	27,788		5,920	33,708	18,749
<b>Total assets</b>	<b>\$877,736</b>	<b>\$4,700,620</b>	<b>\$1,173,087</b>	<b>\$6,751,443</b>	<b>\$5,947,577</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	139,780			139,780	136,239
Prepaid tuition and other deferred credits	21,482			21,482	21,907
Deferred grant revenue	6,401		25,571	31,972	31,583
Refundable advances	64,775			64,775	63,090
Postemployment benefits payable	27,932			27,932	23,056
Postretirement benefits payable other than pensions	6,832			6,832	5,408
Actuarial liability for annuities payable		31,078		31,078	30,020
Federal student loan funds	57,473			57,473	51,897

Bonds and notes payable	23,369	80,347	576,012	679,728	728,353
<b>Total liabilities</b>	<b>\$348,044</b>	<b>\$111,425</b>	<b>\$601,583</b>	<b>\$1,061,052</b>	<b>\$1,091,553</b>
<b>Net Assets</b>					
Unrestricted	444,715	2,986,909	521,300	3,952,924	3,314,288
Temporarily restricted	81,327	558,456	50,204	689,987	577,134
Permanently restricted	3,650	1,043,830		1,047,480	964,602
<b>Total net assets</b>	<b>\$529,692</b>	<b>\$4,589,195</b>	<b>\$571,504</b>	<b>\$5,690,391</b>	<b>\$4,856,024</b>
<b>Total liabilities and net assets</b>	<b>\$877,736</b>	<b>\$4,700,620</b>	<b>\$1,173,087</b>	<b>\$6,751,443</b>	<b>\$5,947,577</b>

*See accompanying notes to financial statements.*

**Statement of Activities****Year Ended June 30, 2000, with Comparative 1999 Totals** *(in thousands of dollars)*

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total 2000</b>	<b>Total 1999</b>
<b>Revenues and Support</b>					
Tuition and fees	\$435,722			\$435,722	\$404,391
Less financial aid grants	(108,800)			(108,800)	(96,376)
Net tuition and fees	326,922			326,922	308,015
Direct	297,447			297,447	263,109
Indirect	93,588			93,588	82,103
Private gifts, grants, and contracts:					
Direct	140,797	89,812		230,609	182,025
Indirect	7,246			7,246	7,556
Receipts from other educational and research activities	316,993			316,993	252,914
Medical faculty practice plans	269,585			269,585	248,027
Investment income and gains utilized to fund:					
Budgeted operations	169,600	313		169,913	14,628
Additional distributions	11,833			11,833	14,190
Sales and services of auxiliary enterprises	56,664			56,664	53,142
State aid	3,837			3,837	3,702
Other sources	4,851			4,851	4,672
Net assets released from restrictions	52,495	(52,495)			
<b>Total revenues and support</b>	<b>1,751,858</b>	<b>37,630</b>		<b>1,789,488</b>	<b>1,574,083</b>
<b>Expenses</b>					
Instruction, research, and educational administration	914,030			914,030	802,675

Medical faculty practice plans	267,959			<b>267,959</b>	<b>250,330</b>
Library	35,056			<b>35,056</b>	<b>33,601</b>
Operation and maintenance of plant	78,518			<b>78,518</b>	<b>72,528</b>
University administration	75,745			<b>75,745</b>	<b>67,048</b>
Auxiliary enterprises	48,660			<b>48,660</b>	<b>43,735</b>
Depreciation expense	94,719			<b>94,719</b>	<b>83,578</b>
Interest expense	36,651			<b>36,651</b>	<b>41,409</b>
Other	22,119			<b>22,119</b>	<b>23,152</b>

<b>Total expenses</b>	<b>1,573,457</b>			<b>1,573,457</b>	<b>1,418,056</b>
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<b>Increase in Net Assets before Nonoperating Activities</b>	178,401	37,630		<b>216,031</b>	<b>156,027</b>
<i>Increase in net assets to support current operations</i>	<i>117,120</i>	<i>17,957</i>		<i>135,077</i>	<i>70,558</i>
<i>Increase in assets invested to support operations</i>	<i>30,412</i>	<i>14,347</i>		<i>44,759</i>	<i>56,241</i>
<i>Increase in plant net assets and funds available for construction</i>	<i>30,869</i>	<i>5,326</i>		<i>36,195</i>	<i>29,228</i>

<b>Increase / (Decrease) in Net Assets from Nonoperating Activities</b>	460,235	75,223	82,878	<b>618,336</b>	<b>(40,695)</b>
<i>Student loan gifts</i>			\$303	<i>303</i>	<i>330</i>
<i>Endowment gifts</i>			70,505	<i>70,505</i>	<i>43,978</i>
<i>Realized and unrealized capital gains not utilized to support current operations</i>	<i>448,886</i>	<i>76,668</i>	<i>(527)</i>	<i>525,027</i>	<i>110,617</i>
<i>Net assets held by CPMC Fund, Inc.</i>	<i>11,349</i>		65	<i>11,414</i>	<i>(1167)</i>
<i>Funds held by others in perpetuity</i>			12,145	<i>12,145</i>	<i>1 2,444</i>
<i>Present value adjustment to annuities payable</i>	<i>(1,445)</i>		387	<i>(1,058)</i>	<i>(505)</i>
<i>Useful life adjustment and disposal of plant assets</i>					<i>(206,392)</i>

Total increase in net assets	638,636	112,853	82,878	<b>834,367</b>	<b>115,332</b>
Net assets at beginning of year	3,314,288	577,134	964,602	<b>4,856,024</b>	<b>4,740,692</b>
<hr/>					
Net assets at end of year	<b>\$3,952,924</b>	<b>\$689,987</b>	<b>\$1,047,480</b>	<b>\$5,690,391</b>	<b>\$4,856,024</b>

*See accompanying notes to financial statements.*

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[Balance Sheet](#) | [Table of Contents](#) | [Cash Flows](#)

## Statement of Cash Flows

**Year Ended June 30, 2000, with Comparative 1999 Totals**  
*(in thousands of dollars)*

	<b>Total 2000</b>	<b>Total 1999</b>
<b>Cash Flows from Operating Activities</b>		
<i>(Includes adjustments to reconcile change in net assets to net cash provided by operating activities)</i>		
Change in net assets	\$834,367	\$115,332
Depreciation	94,79	83,578
Useful life adjustment and disposal of plant assets		206,392
<i>Change in operating assets and liabilities:</i>		
Accounts receivable	(26,975)	(11,449)
Investment income receivable	(3,303)	(2,885)
Pledges receivable	(30,473)	10,187
Net assets held by CPMC Fund, Inc.	(11,414)	1,167
Interest in perpetual trusts held by others	(12,145)	(12,444)
Other assets	(14,959)	443
Accounts payable and accrued expenses	3,541	5,047
Prepaid tuition and other deferred credits	(425)	1,801
Deferred grant revenue	389	(940)
Refundable advances	,685	19,613
Postemployment benefits payable	4,876	2,898
Postretirement benefits payable other than pensions	1,424	844
Present value adjustments to annuities and life income funds	1,058	505
Accreted interest on bonds	2,334	6,110
Investment income net of payments on annuity and life income agreements	414	376
Contributions restricted for permanent investment, annuity and life income agreements, and plant	(89,625)	(71,236)
Realized and unrealized capital gains	(558,114)	(138,786)

Net cash provided by operating activities	197,374	216,553
<b><i>Cash Flows from Investing Activities</i></b>		
Change in cash and securities held in trust by others	(2,03)	(4,38)
Change in due from/(to) brokers	(33,825)	(27,022)
Proceeds from sale of investments	3,075,05	2,572,480
Purchase of investments	(3,110,82)	(2,609,67)
Proceeds from note collections	7,829	9,45
Notes issued	(8,670)	(8,633)
Purchases of plant and equipment	(75,482)	(50,403)
Net cash provided by investing activities	247,949	218,422
<b><i>Cash Flows from Financing Activities Proceeds from contributions for:</i></b>		
Investment in endowment	63,555	44,276
Investment in plant	22,291	21,817
Investment in annuity and life income agreements	4,179	5,143
Investment income on annuity and life income agreements	3,061	3,097
Payments on annuity and life income agreements	(3,475)	(3,473)
Repayment of debt	(62,909)	(18,099)
Proceeds from debt borrowings	45,702	50,860
Change in federal student loan funds	5,576	(263)
Net cash provided by financing activities	77,580	103,358
Net increase in cash and cash equivalents	27,005	101,489
Cash and cash equivalents at beginning of year	338,187	236,698
Cash and cash equivalents at end of year	\$365,192	\$338,187
<b><i>Supplemental disclosure of cash flow information:</i></b>		
Cash paid during the year for interest	\$38,775	\$41,145

*See accompanying notes to financial statements.*

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## Summary of Investments

at June 30, 2000 and 1999 Totals  
(in thousands of dollars)

	Estimated Market Value	
	Total 2000	Total 1999
<b>Assets</b>		
<b>Domestic</b>		
Cash equivalents	\$232,701	\$343,167
Fixed income	301,621	231,260
Equity	715,954	689,687
Equity REITS	15,133	10,959
Options/warrants	1,222	1,476
Limited partnership interests	1,755,816	1,372,127
Mutual funds	353,593	253,860
Mortgage loans	3,888	3,437
<b>Foreign</b>		
Cash equivalents	66	260
Fixed income	27,990	18,606
Equity	175,370	203,950
Equity REITS		73
Preferred equity	1,351,	1,445
Convertible securities		654
Foreign exchange contracts receivable	16	173
Mutual funds	257,560	202,013
Cash Options		460
Limited partnership interests	156,303	91,941

Institutional real estate	468,350	436,000
<b>Total investment assets</b>	<b>4,466,898</b>	<b>3,861,548</b>
<b>Liabilities</b>		
Investments held for CPMC	86,841	75,043
Options written on currency		1,476
Options written on equity	1,222	
Foreign exchange contracts payable	16	94
<b>Total investment liabilities</b>	<b>88,079</b>	<b>76,613</b>
<b>Total investments, net of related liabilities, at market</b>	<b>\$4,378,819</b>	<b>\$3,784,935</b>

*See Statement Notes regarding investments*

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies

The significant accounting policies of Columbia University in the City of New York (the "University") are as follows:

#### Accrual Basis

The accompanying financial statements include the accounts of all the divisions of the University (except Barnard College and Teachers College, corporations for which the University has no financial or administrative responsibilities) and have in all material respects been prepared on an accrual basis.

#### Basis of Presentation

The University prepares its financial statements in accordance with the Statements of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 116 requires that contributions received, including unconditional promises to give (pledges), be recognized as revenues at their fair values. SFAS No. 117 establishes standards for external financial statements and requires the classification of net assets and the flows of those assets based on the existence or absence of donor-imposed restrictions. SFAS No. 117 further requires the implementation of provisions of SFAS No. 95, "Statement of Cash Flows," to be extended to not-for-profits.

Three net asset categories have been established by the standards:

*Permanently restricted*, defined as resources received from an outside donor that must be retained inviolate and in perpetuity. These include gifts to true

Revenues are reported as increases in unrestricted net assets unless the use of those assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. The expiration of temporary restrictions on net assets (i.e., the stipulated time period has elapsed or the stipulated purpose has been fulfilled) is reported as a reclassification from temporarily restricted to unrestricted net assets.

Contributions, including unconditional promises to give, are recognized as operating revenues in the period received. If donor restrictions are met on contributions within the same reporting period, those contributions are reflected as unrestricted revenues. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the type of restriction. Conditional promises to give are not recorded until the conditions on which they depend have been met. Contributions of securities are recognized at their fair market value. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue to be used in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is estimated based upon management's assessment of the anticipated cash yield from outstanding pledges.

In accordance with the AICPA "Audit and Accounting Guide for Not-for-Profit Organizations," expenditures are reported for the University's primary program activities, e.g., instruction, research, and educational administration; medical faculty practice plans; etc. The financial statements also report expenditures that support more than one major

endowments and gifts for student loans.

*Temporarily restricted*, defined as resources received from an outside donor that are restricted by purpose or time (future use), or unspent realized and unrealized gains and reinvested income generated by those gifts that are either permanently or temporarily restricted.

*Unrestricted*, which includes all other assets of the University.

program of the University. These expenditures, which include operation and maintenance of plant and depreciation expense, are allocated to the major programs of the University as shown in the following chart (in thousands of dollars):

## Notes to Financial Statements

(continued)

## Allocation of Operation and Maintenance (O&amp;M) and Depreciation Expense

	2000			1999		
	Expense per Statement of Activities	O&M and Depreciation Allocation	Final Allocated Expenses	Expense per Statement of Activities	O&M and Depreciation Allocation	Final Allocated Expenses
<b>Expenses</b>						
<b>Instruction, Research, and educational administration</b>	\$914,030	\$113,365	\$1,027,395	\$802,675	\$104,163	\$906,838
<b>Medical faculty practice plans</b>	267,959	6,883	274,842	250,330	6,330	256,660
<b>Library</b>	35,056	22,745	57,801	33,601	21,029	54,630
<b>Operation and maintenance of plant</b>	78,518		(78,518)		72,528	(72,528)
<b>University administration</b>	75,745	14,795	90,540	67,048	10,063	77,111
<b>Auxiliary enterprises</b>	48,660	8,554	57,214	43,735	8,164	51,899
<b>Depreciation expense</b>	94,719		(94,719)		83,578	(83,578)
<b>Interest expense</b>	36,651		36,651	41,409		41,409
<b>Other</b>	22,119	6,895	29,014	23,152	6,357	29,509
<b>Total expense</b>	\$1,573,457		\$1,573,457	\$1,418,056		\$1,418,056

The allocation of operation and maintenance of plant is based on square footage occupancy. Depreciation expense includes depreciation of buildings and building improvements and equipment. The allocation of depreciation on buildings and building improvements is based on square footage occupancy. Depreciation on equipment is allocated to the programs for which the equipment was purchased.

### Use of Estimates

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

### 2000 Presentation

Certain 1999 amounts have been reclassified to conform with the 2000 presentation.

## 2. Investments

Investments are composed of two major groups: the investment portfolio and institutional real estate. The University's endowment and similar funds include the corpus of permanently restricted gifts as well as reinvested gains and income and board-designated endowments. These funds are presented on the balance sheet as the main component of long-term investments. At June 30, 2000 and 1999, the endowment and similar funds amounted to \$4,264.0 million and \$3,636.6 million, respectively. The endowment and similar funds include

assets owned by certain Delaware limited liability companies that are wholly owned by the University.

### Cash Equivalents

Cash equivalents included in the portfolio consist primarily of liquid short-term instruments held by the investment pool.

### Securities

Securities are carried at market values established by the major securities markets. Purchases and sales of securities are accounted for on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis. Fees paid to investment managers are netted against investment income.

The investment portfolio includes securities traded during the fiscal year but settled in the subsequent reporting period. The offset to these transactions is recorded as either an asset or liability--due from/(to) brokers--on the balance sheet. At June 30, 2000 and 1999, due from/(to) brokers amounted to \$21.0 million and (\$12.8) million, respectively.

### Limited Partnership Interests

Limited partnership interests include investments in investment funds and real estate. The underlying market value of the investment funds is determined by the investment funds' general partner. The market value of the underlying real estate is determined by the partnership's management or an affiliated company. The University's management may, in addition, consider other factors in assessing the fair value of these investments.

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## Notes to Financial Statements

(continued)

The University is obligated under certain limited partnership investment fund agreements to advance additional funding periodically up to specified levels. At June 30, 2000, the University had unfunded commitments of \$493.7 million, which are likely to be called through 2004.

### Institutional Real Estate

Institutional real estate consists of properties around the University's Morningside Heights and Washington Heights campuses, the primary purpose of which is to house faculty, staff, and students. The income earned on this investment is used primarily to finance operating expenditures. Capital appreciation is retained within long-term investments, and capital depreciation is a charge against such investments. The market value of institutional real estate is determined by independent appraisals.

### Off-Balance Sheet Risks

Investment strategies employed by investment managers incorporate the use of various financial instruments with off-balance sheet risk. These include foreign exchange contracts, futures contracts, options contracts, and swap contracts. They are carried in the financial statements at market value. Futures, options, forward contracts, and swap contracts are either traded on organized exchanges or entered into with creditworthy financial institutions.

At June 30, 2000, the contract or notional amounts of these financial instruments, as listed below but not included in the Balance Sheet, are indicators of

endowment for support of University operations. The amount budgeted, within the limits of the University's spending rule, is a component of investment income and gains utilized on the Statement of Activities.

[Link to a summary of investments at June 30, 2000.](#)

### 3. Contributions Receivable

Unconditional promises to give appear as pledges receivable and revenues of the appropriate net asset category. Pledges are recorded after recognizing an allowance for uncollectible contributions and a discount to reflect the net present value based on projected cash flows.

Unconditional promises to give are expected to be received during the following periods (in thousands of dollars):

	2000	1999
Less than one year	\$69,659	\$55,501
One to five years	153,620	124,559
More than five years	51,448	58,563
Less: Allowance for uncollectible contributions	(18,130)	(14,573)
Less: Net present-value discount	(55,365)	(53,291)

the University's activities:

Notional Amount (*in thousands of dollars*)

Futures	Purchased	Sold
Equity futures	\$93,371.2	\$93,371.2
Interest rate futures	330,635.4	330,635.4
Bond futures	54,416.6	67,634.7
Foreign exchange contracts	Open Value US\$	
Foreign exchange payables	\$522.0	
Foreign exchange receivables	522.0	
Swaps	Open Value US\$	
Equity swaps	\$10,430.0	

### Investment Portfolio Return and Investment Income

The net time-weighted rate of return of the investment portfolio, excluding separately invested endowments and annuity and life income funds, was 20.5 percent for the fiscal year ended June 30, 2000. In order to better balance current needs against the preservation of the purchasing power of the merged investment pool, the University adopted a revised spending rule in 1998 that regulates the annual amounts made available from the

Total	\$201,232	\$170,759
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Pledges receivable at June 30, 2000 and 1999, are intended for the following purposes:

	2000	1999
Endowment for educational and general purposes	\$86,449	\$79,099
New construction and modernization of plant	46,082	41,643
Support of current operations	68,701	50,017
Total	\$201,232	\$170,759

As of June 30, 1999, there were additional promises to give \$0.9 million outstanding, requiring either the receipt of matching funds or the satisfaction of other donor-imposed conditions.

## Notes to Financial Statements

(continued)

### 4. Land, Buildings, and Equipment

**Investments in land, buildings, and equipment, net, consisted of the following at June 30**  
*(in thousands of dollars):*

	2000			1999		
	Total Assets	Accumulated Depreciation	Net Assets	Total Assets	Accumulated Depreciation	Net Assets
Land	\$10,661		\$10,661	\$9,837		\$9,837
Buildings and building improvements	1,611,556	\$567,385	1,044,171	1,476,947	\$500,614	976,333
Equipment	329,204	213,919	115,285	289,155	185,971	103,184
<b>Total</b>	<b>\$1,951,421</b>	<b>\$781,304</b>	<b>\$1,170,117</b>	<b>\$1,775,939</b>	<b>\$686,585</b>	<b>\$1,089,354</b>

As of July 1, 1998, the University adopted componentized depreciation to calculate accumulated depreciation and depreciation expense for buildings and building improvements. This change brings the University's financial statement depreciation methodology into conformity with the method used for government cost-reimbursement purposes, as mandated by Office of Management and Budget Circular A-21, "Cost Principles for Educational Institutions." Under the componentized depreciation method, building costs are segregated into component categories with useful lives ranging from ten to forty years, and depreciated on a straight-line basis. Through fiscal 1998, the University depreciated buildings using the straight-line method over a useful life of fifty years.

As of July 1, 1998, the University also began to calculate accumulated depreciation and depreciation expense for equipment on an individual item basis, using the straight-line method over useful lives ranging from five to ten years, consistent with the method used for government cost-reimbursement purposes. In fiscal 1998, all equipment was depreciated using the straight-line method over a useful life of eight years.

The cumulative impact of the change in depreciation methodology on buildings, building improvements, and equipment at the beginning of the year is reflected as a decrease in net assets from nonoperating activities in the Statement of Activities on the line titled "useful life adjustment and disposal of

plant assets." The depreciation charge included in operating expenses for fiscal 1999 represents the

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## Notes to Financial Statements

(continued)

### 5. Postemployment Benefits and Compensated Absences

The University complies with the accounting standards set forth in SFAS No.112, "Employers' Accounting for Post-employment Benefits." Postemployment benefits are those benefits provided to former or inactive employees after employment but before retirement. SFAS No. 112 requires the University to record the costs of such benefits on an accrual basis, if the employee has provided the services from which those benefits are derived. In fiscal 2000 and 1999, the University recognized an actuarially computed liability of \$13.4 million and \$9.3 million, respectively, relating to the following benefits: workers' compensation, short-term disability, and continuation of medical benefits for those on long-term disability.

SFAS No. 43 requires that compensated absences be recorded, if material, on an accrual basis. The actuarially computed liability for compensated absences was recorded at \$14.5 million at June 30, 2000, and \$13.8 million at June 30, 1999.

### 6. Retirement Benefits

Retirement benefits are provided for full-time faculty and officers under a noncontributory defined contribution plan, through direct payments to Teachers Insurance Annuity Association College Retirement Equities Fund (TIAA-CREF),

	2000	1999
Service cost--benefit earned during the period	\$1,575	\$1,470
Interest cost on projected benefit obligation	3,907	3,693
Expected return on assets	(5,017)	(4,367)
Net amortization:		
Prior service cost	45	31
Net actuarial cost		1
Transition amount	(319)	(319)
Defined contribution	3,594	3,818
<b>Total pension expense</b>	<b>\$3,785</b>	<b>\$4,327</b>

The University funds current charges as incurred and is funding the pre-ERISA pension liability under these defined benefit plans over a thirty-year period, which began in 1976. The reconciliation of the funded status of the defined benefit plans at June 30, 2000 and 1999, was as follows (*in thousands of dollars*):

	2000	1999
<b>Defined benefit</b>		
Projected benefit obligation	(\$54,651)	(\$54,792)

Calvert Group, or Vanguard Group of Investment Companies. Contributions are determined as a percentage of each covered employee's salary, taking into account the age and accrued service of each employee. Charges to expenditures under this plan amounted to \$40.1 million and \$36.3 million for the years ended June 30, 2000 and 1999, respectively.

The University has four noncontributory pension plans for supporting staff employees. Two of these plans are defined benefit plans for both past and future service. The other two plans provide defined benefits for service prior to January 1, 1976, in one case, and prior to July 1, 1976, in the other, and defined contributions to TIAA-CREF for service thereafter. The University complies with SFAS No. 87, "Employers' Accounting for Pensions," for its pension plans and, in fiscal 1999, adopted SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits."

All four of these plans are subject to collective bargaining agreements. Charges to expenditures under the four supporting staff pension plans amounted to \$3.8 million and \$4.3 million for the years ended June 30, 2000 and 1999, respectively. The components of pension expense for these defined benefit and contribution plans for the years ended June 30, 2000 and 1999, were as follows (*in thousands of dollars*):

Estimated value of invested plan assets	76,636	72,228
<hr/>		
Plan assets in excess of projected benefit obligation	21,985	17,436
Unrecognized net transition asset	(893)	(1,212)
Unrecognized prior service costs	481	526
Unrecognized net gain	(13,067)	(10,355)
<hr/>		
Prepaid pension cost	8,506	6,395
<b>Defined contribution</b>		
(Accrued)/prepaid pension cost	(4)	384
<hr/>		
Prepaid pension cost included in accounts payable and accrued liabilities	\$8,502	\$6,779
<hr/>		

The components of prepaid pension cost reported above at June 30, 2000 and 1999, were as follows (*in thousands of dollars*):

	2000	1999
<hr/>		
Total prepaid pension cost	\$8,679	\$7,201
Total accrued pension liability	(177)	(422)
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Prepaid pension cost	\$8,502	\$6,779
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## Notes to Financial Statements

(continued)

The reconciliation of the projected benefit obligation of the defined benefit plans at June 30, 2000 and 1999, was as follows (in thousands of dollars):

	2000	1999
Benefit obligation, beginning of year	\$54,792	\$53,243
Service cost	1,575	1,470
Interest cost	3,907	3,693
Plan amendments		434
Assumption changes and actuarial gain	(2,283)	(738)
Net disbursements and transfers	(3,340)	(3,310)
Benefit obligation, end of year	\$54,651	\$54,792

The reconciliation of the fair value of the defined benefit plans' assets at June 30, 2000 and 1999, was as follows (in thousands of dollars):

	2000	1999
Fair value of assets, beginning of year	\$72,228	\$64,985
Actual return on plan assets	5,446	7,118

The University funds current charges as incurred and is funding the unrecorded postretirement benefit obligation under the plans over a twenty-year period, which began in 1994. The reconciliation of the funded status of the plans at June 30, 2000 and 1999, was as follows (in thousands of dollars):

	2000	1999
Accumulated postretirement benefit obligation	\$101,336	\$90,813
Fair value of assets	(\$42,774)	(\$33,755)
Funded status	\$58,562	\$57,058
Unrecognized transition obligation	(26,740)	(28,797)
Prior service cost	(5,660)	(2,153)
Net loss	(19,330)	(20,700)
Postretirement benefits payable recognized on Balance Sheet	\$6,832	\$5,408

The reconciliation of the accumulated postretirement benefit obligation (APBO) at June 30, 2000 and 1999, was as follows (in thousands of dollars):

	2000	1999
APBO, beginning of year	\$90,813	\$78,086

Employer contributions	2,302	3,435
Net disbursements and transfers	(3,340)	(3,310)
<hr/>		
Fair value of assets, end of year	\$76,636	\$72,228

### Actuarial Assumptions

	2000	1999
Liability discount rate	7.5%	7.0%
Investments return compounded annually	8.0%	8.0%
Salary increase rate, where applicable	5.5%	5.5%

The University complies with SFAS No.106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for its unfunded postretirement health care and life insurance programs and, in fiscal 1999, adopted SFAS No.132 for the disclosures under these programs. Under SFAS No.106, the University accrues the estimated cost of retiree health and life insurance benefits over the years that the employees render service.

The components of postretirement benefits other than pensions for the years ended June 30, 2000 and 1999, were as follows (in thousands of dollars):

	2000	1999
Service cost	\$3,145	\$2,348

Service cost	3,145	2,348
Interest cost	7,228	6,086
Plan amendment	4,149	
Assumption changes and actuarial loss	686	8,652
Net disbursements	(4,685)	(4,359)
<hr/>		
APBO, end of year	\$101,336	\$90,813

The reconciliation of the fair value of plan assets at June 30, 2000 and 1999, was as follows (in thousands of dollars):

	2000	1999
Fair value of assets, beginning of year	\$33,755	\$24,907
Actual return on assets	3,611	4,284
Employer contributions	5,408	4,564
<hr/>		
Fair value of assets, end of year	\$42,774	\$33,755

<b>Interest cost on projected benefit obligation</b>	<b>7,228</b>	<b>6,086</b>
<b>Expected return on assets</b>	<b>(2,700)</b>	<b>(1,993)</b>
<b>Amortization of transition obligation</b>	<b>2,057</b>	<b>2,057</b>
<b>Amortization of prior service cost</b>	<b>642</b>	<b>248</b>
<b>Amortization of unrecognized net losses</b>	<b>1,145</b>	<b>1,021</b>
<b>Total postretirement benefit expense</b>	<b>\$11,517</b>	<b>\$9,767</b>

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## Notes to Financial Statements

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The accumulated postretirement benefit obligation was determined using a discount rate of 7.5 percent at June 30, 2000, and 7.0 percent at June 30, 1999. The June 30, 2000, health care cost trend rate was assumed to be 5.0 percent for 2001. The health care cost trend rate assumption has a significant effect on the amounts reported. Increasing the assumed health care cost trend rate by 1 percent in each year would increase the APBO as of June 30, 2000, by \$9.5 million and increase the aggregate of the service cost and interest cost components of the net postretirement benefit costs for 2000 by \$1.2 million. Decreasing the assumed health care cost trend rate by 1 percent in each year would decrease the APBO as of June 30, 2000, by \$7.7 million and decrease the aggregate of service cost and interest cost for 2000 by \$1.0 million.

## 7. Bonds and Notes Payable

Bonds and notes payable outstanding at June 30 included the following (*in thousands of dollars*):

	2000	1999
Dormitory Authority of the State of New York Revenue Bonds, Columbia University issue, Series 1998:		
4.25% to 5.50%, due serially to 2016	\$46,175	\$48,040
5.00% term bonds, due 2018	8,860	8,860
5.00% term bonds, due 2022	20,540	20,540
	<u>75,575</u>	<u>77,440</u>

	2000	1999
Dormitory Authority of the State of New York Revenue Bonds, Columbia University issue, Series 1986		
5.00%, due 2015	14,560	14,560
Dormitory Authority of the State of New York Tax-exempt Commercial Paper 3.85% to 4.40%, due from July 11, 2000, through September 12, 2000	43,330	
2.95% to 3.30%, due from July 13, 1999, through September 3, 1999		31,380
Equipment Loan		
7.67%, five-year installment loan, due 2001	1,246	2,399
United States Department of Education Housing Program, 1991		
5.50%, 30-year installment loan, due 2021	2,178*	2,232*
United States Department of Education Housing Program, 1990		
3.00%, 30-year installment loan, due 2020	2,777*	2,877*
Medium-Term Notes, Taxable Series A		
8.80%, due 1999		10,000
8.72%, due 1999		5,000

	2000	1999
<hr/>		
Dormitory Authority of the State of New York Revenue Bonds, Columbia University issue, Series 1994A:		
4.00% to 5.75%, due serially to 2012	117,065	126,590
4.75% term bonds, due 2014	26,855	26,855
	<hr/>	<hr/>
	143,920	153,445
<hr/>		
Dormitory Authority of the State of New York Revenue Bonds, Columbia University issue, Series 1992:		
5.00% to 5.75%, due serially to 2007	27,465	29,890
6.00% term bonds, due 2010	13,680	13,680
5.75% term bonds, due 2015	28,700	28,700
	<hr/>	<hr/>
	69,845	72,270

		15,000
<hr/>		
Medium-Term Notes, Taxable Series B		
7.98%, due 1999		10,000
8.04%, due 1999		15,000
8.62%, due 2001	25,000	25,000
8.65%, due 2003	10,000	10,000
	<hr/>	<hr/>
	35,000	60,000
<hr/>		
Medium-Term Notes, Taxable Series C		
5.89%, due 2000	10,000	10,000
6.10%, due 2002	5,500	5,500
6.25%, due 2005	4,000	4,000
6.53%, installment note, due 2015	6,000	6,000
6.875%, due 2015	15,500	15,500
6.83%, due 2020	75,000	75,000
7.19%, installment note, due 2016	47,000	47,000
7.36%, installment note, due 2021	36,300	36,300
	<hr/>	<hr/>
	199,300	199,300

## Notes to Financial Statements

(continued)

	2000	1999
Empire State Development Corporation Interest-free, 40-year installment loan, due 2029	9,427	9,501
Empire State Development Corporation Interest-free loan, due 2010	4,118	3,848
Economic Development Corporation Interest-free loan, due 2010	5,083	4,751
Taxable commercial paper 4.86%, due August 6, 1999		9,450
5.35%, due September 7, 1999		20,550
4.85%, due July 7, 1999		20,000
6.63%, due August 7, 2000	16,750	
6.62%, due August 11, 2000	20,550	
6.60%, due August 16, 2000	12,700	
	50,000	50,000
Bank Loan		
7.98%, installment loan, due 2007		4,426
Dormitory Authority of the State of New York College and University Education Loan Revenue Bonds, 1993 issue:		
4.60% to 4.90%, due serially to 2003	4,885	6,030

The University may offer from time to time up to \$400.0 million aggregate principal amount of Medium-Term Notes (the "Notes"). As of June 30, 2000, \$234.3 million was outstanding.

The University also has a \$100.0 million taxable commercial paper program. As of June 30, 2000, \$50.0 million was outstanding.

### 8. Fair Value of Financial Instruments

SFAS No. 107 and No. 119, "Disclosure about Fair Value of Financial Instruments," and "Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments," respectively, require the disclosure of the estimated fair values of financial instruments. Financial instruments are defined as cash, an equity investment in an enterprise, or a contract that conveys to one counterparty the right to receive cash (or the equivalent in another financial instrument) while binding the other counterparty to deliver cash or another financial instrument of equivalent value. Fair value is defined as the

Capital appreciation 5.25% to 5.65%, due serially to 2013	8,247	7,815
	13,132	13,845
Dormitory Authority of the State of New York College and University Education Loan Revenue Bonds, 1992 issue:		
6.10% to 6.30%, due serially to 2002	2,860	4,175
Capital appreciation 6.60% to 6.80%, due serially to 2013	7,377	6,904
	10,237	11,079
<b>Total bonds and notes payable</b>	<b>\$679,728</b>	<b>\$728,353</b>

*\*Principal fully collateralized by investments.*

Principal payments over the next five years are as follows: 2001, \$53.7 million; 2002, \$18.9 million; 2003, \$35.3 million; 2004, \$18.4 million; 2005, \$18.0 million. Aggregate principal payments there after (through 2029) are \$538.9 million.

price at which a financial instrument could be liquidated in an orderly manner over a reasonable time period under present market conditions.

The fair values of financial instruments have been determined based on quoted market prices for identical or similar instruments and discounted cash flow analyses.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

### **Cash and Cash Equivalents**

The carrying amount approximates fair value because of the short maturity of those instruments.

### **Investment Assets, Net of Related Liabilities**

The University accounts for its investments on a market value basis with the exception of mortgage loans, which are valued at amortized principle. The carrying value of these investments approximates fair value.

### **Bonds and Notes payable**

At June 30, 2000, the University's bonds and notes payable had a carrying amount of approximately \$669,7

million, compared to an estimated fair value of \$671,8 million. The estimated fair value of bonds and notes payable was calculated using a discounted cash flow method, where the estimated cash

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## Notes to Financial Statements

(continued)

flows were based on contractual principal and interest payments. The discount rates used were based on the University's borrowing rate for similar obligations. Fair values represent the lower of the estimated value at call or maturity of each respective issue.

### Student Loans Receivable

These loans are primarily federally sponsored with United States Government-mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition. The carrying value of these loans approximates fair value.

### 9. Related Party Transactions

The University has an alliance dating back to 1921 with Presbyterian Hospital, which merged with New York Hospital effective January 1, 1998. The new corporate entity is now called NewYork-Presbyterian Hospital. The University provides medical, professional, and supervisory staff, and various other technical assistance, and is reimbursed by NewYork-Presbyterian Hospital. The revenues pursuant to this reimbursement arrangement for services rendered are reflected in the financial statements as a portion of receipts from other educational and research activities, and medical faculty practice plans. NewYork-Presbyterian Hospital provides the University with the use of certain facilities and certain services and is reimbursed for its cost by the University.

ultimate liability, if any, from audits of government grants and contracts by government agencies, claims, and suits is presently not determinable, it should not, in the opinion of counsel and management, have a material effect on the University's financial position or results of operations.

On November 9, 1995, a project management agreement was executed by and between Biosphere 2 Center, Inc., a Columbia affiliate ("Manager"), and Decisions Investments Corp. ("Owner") to manage the Biosphere 2 facilities and certain associated properties ("Project"). The management period began on January 1, 1996, and will continue for a term of five years ending December 31, 2000 ("Initial Period"). The Manager has an option to purchase the Project at the end of the Initial Period for \$1.0 million; alternatively, the Manager can surrender the Project to the Owner after five years or renew the management agreement for an additional ten years, with the right to exercise the option and purchase the Project at the \$1.0 million purchase price at the end of each year of the renewal term. During the Initial Period, the Owner shall pay the Manager a management fee in the aggregate amount of \$10.0 million (\$2.0 million per year). The management fee shall be paid as consideration and remuneration for administering, managing, and operating the Project. In addition, the Owner shall pay the Manager \$15.0 million over the first five years, which represents the aggregate anticipated operating deficit for the Initial Period.

The University records both receivables from and payables to New York-Presbyterian Hospital on the Balance Sheet.

The University has no liability for obligations and debt incurred by New York-Presbyterian Hospital.

## **10. Contingencies and Commitments**

From time to time, various claims and suits generally incident to the conduct of normal business are pending or may arise against the University.

In the opinion of counsel and management of the University, after taking into account insurance coverage, losses, if any, from the resolution of pending litigation should not have a material effect on the University's financial position or results of operations.

All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the

If the aggregate actual operating deficit for the Initial Period is less than the aggregate anticipated operating deficit, the Manager shall reimburse the difference to the Owner by January 1, 2001. If during the Initial Period the aggregate actual operating deficit exceeds the aggregate anticipated operating deficit, the Manager shall be responsible for the shortfall. The Owner has also agreed to split with the Manager the cost of certain repairs and replacements of Project assets deemed likely to be necessary, up to a maximum contribution of \$2.5 million from the Owner, subject to certain conditions.

Columbia has guaranteed the performance of the Manager's obligations under the management agreement, to the extent of \$5.0 million and subject to certain conditions.



## Independent Auditors' Report

### To the Board of Trustees of Columbia University in the City of New York

We have audited the accompanying balance sheets of Columbia University in the City of New York (the "University") as of June 30, 2000 and 1999, the statements of cash flows for the years then ended, and the statement of activities for the year ended June 30, 2000. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the University's June 30, 1999, financial statements, and in our report dated September 24, 1999, we expressed an unqualified opinion on those financial statements.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the University at June 30, 2000 and 1999, the changes in the cash flows for the years then ended, and the changes in net assets for the year ended June 30, 2000, in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

New York, New York  
October 13, 2000



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# University Trustees

*as of June 30, 2000*

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*Chair of the Trustees*  
*Senior Principal*  
*Marsh & McLennan*  
*Capital, Inc.*

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*Chairman*  
*Brookfield Financial*  
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Laurans A. Mendelson  
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as of June 30, 2000

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