The Trustees of Columbia University in the City of New York

Consolidated Financial Statements
June 30, 2022 and 2021

Report of Independent Auditors

To The Trustees of Columbia University in the City of New York

Opinion

We have audited the accompanying consolidated financial statements of The Trustees of Columbia University in the City of New York and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities for the year ended June 30, 2022 and of cash flows for the years ended June 30, 2022 and 2021, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated October 20, 2021, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information as of June 30, 2021 and for the year then ended is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

PricewaterhouseCoopers LLP

New York, New York
October 12, 2022

The Trustees of Columbia University in the City of New York
Consolidated Statements of Financial Position
At June 30, 2022 and 2021
(in thousands of dollars)

	June 2022	June 2021
Assets		
Cash and cash equivalents	$714,875	$754,556
Accounts receivable, net	637,954	587,688
Securities held in trust by others	111	26
Pledges receivable, net	581,246	622,853
Investments, at fair value	14,275,431	15,752,353
Institutional real estate	1,024,420	928,324
Land, buildings, and equipment, net	5,053,175	5,027,166
Right of use, lease assets	280,807	308,244
Other assets	662,986	715,412
Total assets	**$23,231,005**	**$24,696,622**
Liabilities		
Accounts payable and accrued expenses	$431,268	$427,324
Deferred revenue and other prepayments	412,843	400,923
Finance lease obligations	136,087	129,239
Right of use, lease obligations	290,718	316,329
Conditional asset retirement obligations	130,398	126,828
Accrued employee benefit liabilities	451,827	488,839
Federal student loan funds	43,749	54,346
Bonds and notes payable (including bond premium and issuance costs of $246,980 and $272,880) (see Note 16)	2,316,548	2,488,870
Other long-term liabilities	584,336	638,014
Total liabilities	**4,797,774**	**5,070,712**
Net assets		
Without donor restrictions	8,303,326	8,255,479
With donor restrictions	10,129,905	11,370,431
Total net assets	**18,433,231**	**19,625,910**
Total liabilities and net assets	**$23,231,005**	**$24,696,622**

See accompanying notes to the consolidated financial statements.

The Trustees of Columbia University in the City of New York
Consolidated Statements of Activities
For the Year Ended June 30, 2022, with Summarized Comparative 2021 Totals
(in thousands of dollars)

	Without Donor Restrictions	With Donor Restrictions	June 2022	June 2021
Operating activities				
Revenues and support				
Tuition and fees (net of $524,636 and $502,986 in financial aid grants, respectively)	$1,469,287		$1,469,287	$1,138,470
Government grants and contracts:				
Direct	905,073		905,073	814,851
Indirect	307,562		307,562	281,011
Private gifts, grants and contracts:				
Direct	324,971	$210,431	535,402	542,205
Indirect	37,756		37,756	32,095
Revenue from other educational and research activities	216,546		216,546	199,602
Patient care revenue	1,511,543		1,511,543	1,480,146
Investment income and gains utilized	407,292	236,485	643,777	607,009
Sales and services of auxiliary enterprises	200,108		200,108	99,714
Net assets released from restrictions	648,814	(648,814)		
Total operating revenues and support	**6,028,952**	**(201,898)**	**5,827,054**	**5,195,103**
Expenses				
Instruction and educational administration	2,093,132		2,093,132	1,905,340
Research	812,624		812,624	734,211
Patient care expense	1,317,600		1,317,600	1,246,626
Operation and maintenance of plant	322,252		322,252	312,826
Institutional support	360,300		360,300	345,088
Auxiliary enterprises	184,638		184,638	147,938
Depreciation	329,390		329,390	290,839
Interest	58,039		58,039	61,458
Total expenses	**5,477,975**		**5,477,975**	**5,044,326**
Change in net assets from operating activities	**550,977**	**(201,898)**	**349,079**	**150,777**
Nonoperating activities				
Endowment gifts		171,090	171,090	152,401
Current year realized and unrealized capital gains (losses)	(295,260)	(756,711)	(1,051,971)	3,435,405
Endowment appreciation utilized	(193,077)	(406,562)	(599,639)	(583,062)
Change in net assets held by CPMC Fund, Inc.	(20)	(7,342)	(7,362)	4,084
Change in funds held by others in perpetuity		(33,830)	(33,830)	43,696
Present value adjustment to split-interest agreements	1,165	(41,383)	(40,218)	48,634
Net periodic benefit cost other than service cost	16,085		16,085	7,489
Changes in pension and postretirement obligations	(3,348)		(3,348)	77,176
Other	2,124	5,311	7,435	(4,212)
Reclassification	(30,799)	30,799		
Change in net assets from nonoperating activities	**(503,130)**	**(1,038,628)**	**(1,541,758)**	**3,181,611**
Change in net assets	**47,847**	**(1,240,526)**	**(1,192,679)**	**3,332,388**
Net assets at beginning of year	**8,255,479**	**11,370,431**	**19,625,910**	**16,293,522**
Net assets at end of year	**$8,303,326**	**$10,129,905**	**$18,433,231**	**$19,625,910**

See accompanying notes to the consolidated financial statements.

The Trustees of Columbia University in the City of New York
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021
(in thousands of dollars)

	June 2022	June 2021
Cash flows from operating activities		
(Includes adjustments to reconcile change in net assets to net cash provided by operating activities):		
Change in net assets	($1,192,679)	$3,332,388
Depreciation expense	329,390	290,839
Institutional real estate depreciation	31,143	29,981
Change in right of use leases and interest on finance lease obligations and conditional asset retirement obligations	17,877	15,248
Realized and unrealized (gains) losses	1,104,588	(3,409,378)
Partnership distributions	809,895	858,552
Contributions restricted for permanent investment, plant, and split-interest agreements	(246,076)	(220,249)
Contributions other than cash	(1,083)	(358)
Present value adjustments and actuarial liability for split-interest agreements	40,218	(48,634)
Accreted interest on bonds	408	448
Change in unamortized bond premium and issuance costs	(25,900)	(26,318)
Change in fair value of net assets held by CPMC Fund, Inc.	7,362	(4,084)
Change in fair value of interest in perpetual trusts held by others	33,830	(43,696)
Change in operating assets and liabilities:		
Accounts receivable, net	(50,266)	(44,522)
Pledges receivable, net	41,607	3,499
Other assets	6,198	(45,708)
Accounts payable and accrued expenses	41,259	1,506
Deferred revenue and other prepayments	11,920	58,578
Accrued employee benefit liabilities	(37,012)	55,136
Conditional asset retirement obligations and other long-term liabilities	(11,651)	24,964
Net cash provided by operating activities	**911,028**	**828,192**
Cash flows from investing activities		
Proceeds from sales of investments	3,489,217	5,519,175
Purchases of investments	(3,966,980)	(6,280,325)
Collections from student notes	9,715	11,904
Student notes issued	(3,353)	(4,292)
Proceeds from / (Investment in) cash and securities held in trust by others	(85)	91
Purchases of institutional real estate	(127,239)	(28,089)
Purchases of plant and equipment	(377,281)	(421,563)
Net cash used by investing activities	**(976,006)**	**(1,203,099)**
Cash flows from financing activities		
Proceeds from contributions for:		
Investment in endowment	184,585	154,179
Investment in plant	57,159	62,915
Investment in split-interest agreements	4,332	3,155
Investment income on split-interest agreements	3,270	3,413
Payments on split-interest agreements	(6,018)	(5,817)
Payments on finance lease obligations	(16,796)	(16,791)
Repayment of taxable commercial paper		(150,000)
Proceeds from taxable commercial paper issuance	25	125,028
Repayment of bonds and notes payable	(146,855)	(298,774)
Proceeds from bond and note issuance		305,000
Net change in federal student loan funds	(10,597)	(8,054)
Net cash provided by financing activities	**69,105**	**174,254**
Net change in cash and cash equivalents	4,127	(200,653)
Cash and cash equivalents at beginning of year	854,305	1,054,958
Cash and cash equivalents at end of year	**$858,432**	**$854,305**
Supplemental disclosures of cash flow information:		
Cash and cash equivalents as shown in the Statements of Financial Position	$714,875	$754,556
Cash included in Investments, at fair value (see Note 6)	143,557	99,749
Total cash and cash equivalents as shown on the Consolidated Statements of Cash Flows	**$858,432**	**$854,305**
Change in accounts payable for land, buildings, and equipment	$37,315	$21,362
Equipment and space acquired through finance lease obligations	$2,537	$8,924
Right of use, lease assets acquired through new right of use lease obligations	$1,962	$13,096
Cash paid during the year for interest	$92,540	$103,456
Noncash debt extinguishment	($15,235)	

See accompanying notes to the consolidated financial statements.

1. Organization

The Trustees of Columbia University in the City of New York (the "University") is a private, nonsectarian, nonprofit institution of higher education whose activities are concentrated at three locations in New York City and extend around the globe. The University provides instruction through seventeen undergraduate, graduate, and professional schools. It operates a variety of research institutes and a library system to support its teaching, learning, and research activities. The University performs research, training, and other services under grants and contracts with agencies of the federal government and other sponsoring organizations. The University enrolls approximately 35,345 full-time and part-time students and employs approximately 18,622 full-time employees, including 7,016 full-time faculty members and research staff. Of these, 1,326 hold positions in the arts and sciences, 4,193 hold health science positions, and the remainder hold positions in the other professional schools.

The University is a New York nonprofit corporation recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

Columbia University Irving Medical Center

Columbia University Irving Medical Center ("CUIMC"), a division of the University, located in the Washington Heights section of northern Manhattan, is one of the largest academic medical centers in the United States. It is composed of four schools: Vagelos College of Physicians and Surgeons, Mailman School of Public Health, College of Dental Medicine, and School of Nursing.

CUIMC has three primary areas of focus: patient care, scientific research, and education. CUIMC offers a wide variety of degrees, certifications, and continuing education in health sciences. Faculty patient care services, sponsored research, tuition, endowment income, patent royalties, and gifts provide the majority of CUIMC's revenues. Approximately 4,582 students are enrolled at CUIMC with a full-time faculty of 2,830 of whom approximately 351 are tenured. Additionally, CUIMC's staff includes 2,597 part-time faculty instructors, 1,323 full-time and 208 part-time researchers, 178 post-doctoral research trainees, and 1,229 post-doctoral clinical trainees. Approximately 64 percent of the full-time faculty and 20 percent of the part-time faculty hold clinical appointments and have admitting privileges at New York-Presbyterian ("NYP")/CUIMC Campus.

Patient care activities include patient visits performed by Columbia faculty through its medical faculty practice plan, as well as clinical, educational and administration services provided to hospitals and other health care institutions through contractual agreements for services.

CUIMC maintains several clinical and education affiliation agreements with other organizations. The most significant affiliation agreements are with NYP, Lawrence Hospital, and Harlem Hospital. Certain faculty physicians also provide patient care and supervision of residents at NYP network hospitals and other affiliates. In addition, through interinstitutional professional service agreements and medical service agreements, CUIMC faculty provide patient care in specialty and subspecialty areas at hospitals in the tristate area and in other parts of the country and the world.

During the year ended June 30, 2022, the clinical faculty handled approximately 2.3 million outpatient and emergency room visits and participated in instruction and supervision of 597 University medical students and 1,031 residents and fellows at NYP. CUIMC physicians generated approximately 59,000 NYP hospital admissions during the year.

Payments for patient care services provided by the full-time faculty in both institutional and private office settings are derived mainly from third-party payers, including commercial insurance and managed care companies (62 percent), Medicare (20 percent), Medicaid (13 percent), and direct patient payment (5 percent).

Other Activities

The University holds a number of limited liability companies, not-for-profit corporations and international organizations, which are established to facilitate various program and research objectives, and the results of which are included in the University's consolidated financial statements, including:

- Columbia Investment Management Company, LLC, a New York limited liability company formed by the University to manage the University's investment assets under the supervision of a Board appointed by the Trustees of the University and subject to the oversight of the Committee on Finance of the Trustees.
- Reid Hall Inc., located in Paris, France, which was donated to the University in 1964. Reid Hall, Inc., a corporation organized under New York membership corporation law as an educational and charitable organization, operates Reid Hall to promote, facilitate, and aid the educational, cultural, and social interests of students studying in France.
- Columbia University Healthcare, Inc., a not-for-profit practice entity in which the University is the sole corporate member.
- Columbia Doctors of New Jersey, P.C, Columbia Doctors of Bergen County, P.C. and Columbia Doctors of Connecticut, which are professional corporations in which the University is the sole corporate member.

The University also provides investment custodial services and manages all of the assets of Columbia Presbyterian Medical Center Fund, Inc. ("CPMC Fund, Inc."), a not-for-profit corporation that was created to hold and receive gifts for the University and NYP. The consolidated financial statements reflect the University's interest in the net assets of CPMC Fund, Inc. as well as the assets and amounts due to NYP.

2. Summary of Significant Accounting Policies

The significant accounting policies of the University are as follows:

Basis of Consolidation
The consolidated financial statements of the University include the accounts of all academic and administrative departments of the University.

All significant intercompany accounts have been eliminated in consolidation.

Basis of Presentation
The University maintains its accounts in accordance with the principles of fund accounting. Under this method of accounting, resources for various purposes are classified into funds that are consistent with activities or objectives specified by donors. Separate accounts are maintained for each fund.

For reporting purposes, the University prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), including the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958 Not-for-Profit Entities that requires resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, the University classifies fund balances as without donor restrictions or with donor restrictions.

The consolidated financial statements of the University have, in all material respects, been prepared on an accrual basis.

Revenues and Expenses
Revenues are reported as increases in net assets without donor restrictions unless the use of those assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law.

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.

ASC Topic 606, Revenue from Contracts with Customers, requires performance of the following steps as part of the revenue recognition assessment:

- Step 1 – Identify the contract(s) with a customer
- Step 2 – Identify the performance obligation(s) in the contract
- Step 3 – Determine the transaction price
- Step 4 – Allocate the transaction price to the performance obligation(s) in the contract
- Step 5 – Recognize revenue when the entity satisfies a performance obligation

The University recognizes contributions in accordance with the revenue recognition provisions of ASC Topic 958-605, Not-for-Profit Entities. 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, Fees, Room and Board, and Financial Aid
Tuition and fees revenue is derived from degree programs and executive and continuing education programs and room and board revenue is derived from the provision of room and board services to students. Tuition and fees are recorded net of scholarships and other discounts and waivers ("Financial aid grants") and displayed in the consolidated statements of activities in "Tuition and fees". Room and board revenues are included as part of "Sales and services of auxiliary enterprises", however the recognition process mirrors that for tuition and fees. Each of these items is supported by separate contracts entered into 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 publicly available University price lists and is codified 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 will contain 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 sessions, nearly all performance obligations on behalf of the University are completed within the fiscal year.

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 or student deposits.

Contributions and Pledges Receivable
Contributions for University operations and plant, including unconditional promises to give ("pledges"), are recognized as operating revenue in the period earned. Contributions to endowment are recognized as nonoperating revenue in the period earned. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows, net of an allowance for uncollectable pledges. The discounts on those pledges are computed using an interest rate for the year in which the promise was received and considers market and credit risk as applicable. Subsequent years' accretion of the discount is included in contribution revenue. Conditional promises to give are not recognized as revenue until such time as the conditions are met.

Grant and Contract Income
The University receives sponsored program grant and contract income from governmental and private 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, 2022, the University has 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. These open commitments total $3.2 billion and it is expected that revenue will be recognized as the University fulfills its obligations over several years. 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 include the donor-restricted contributions if the purpose restrictions are met in the same reporting year as the revenue is recognized.

Indirect cost recoveries on federally sponsored programs, such as the recovery of facilities and administrative (F&A) costs, are at reimbursement rates negotiated with the University's cognizant agency, the Department of Health and Human Services. The University entered into an agreement with the federal government which defines the rate at which the University can be reimbursed for F&A costs applicable to federal on-campus research effective July 1, 2021. This agreement will remain in place until such time a new agreement is reached.

Patient Care Revenue and Expense
Patient care activities relate to four distinct areas: medical faculty practice plans, affiliation agreements, medical and professional service agreements, and dental clinic.

Patient care expenses include direct expenses associated with providing patient care services, as well as administrative functions within the University's faculty practice organization. Patient care expense does not include rent or utilities in clinical space, as those costs are aggregated with all University space costs within "Operation and maintenance of plant".

The University provides medical care to patients via its ColumbiaDoctors faculty practice, primarily under agreements with third-party payers. The University determines performance obligations based on the nature of the services provided. Generally these performance obligations, regardless of whether the patient is receiving outpatient or inpatient services, are satisfied when the service is provided. The University bills third-party payers and patients after performance obligations are satisfied. For the limited number of patient service performance obligations that will be satisfied over a period of time, it is expected that these obligations will generally be completed soon after the end of the reporting period and the revenue related to the unsatisfied obligation will be deferred into the following fiscal year.

The University determines transaction price based on gross charges for services provided which are established on an annual basis and uniformly applied. The gross charges may be reduced by explicit price concessions, which include contractual adjustments based on agreements with third-party payers or by implicit price concessions provided to uninsured patients, which are reflected as an allowance for doubtful accounts. The University determines its allowance for doubtful accounts based on its historical collection experience with these classes of patients using a portfolio approach as a practical expedient to account for patients as a collective group rather than individually. The impact of using this practical expedient does not have a material effect on the consolidated financial statements. In addition, the University takes into account current and future conditions that may further impact collectability.

The University maintains several clinical and education affiliation agreements with other organizations, the largest of which is with NYP. Under these affiliation agreements, the University has a performance obligation to provide medical, professional, and supervisory staff as well as other technical assistance and clinical services. Additionally, the University operates clinical departments for specific purposes, including administration, supervision, and teaching of the NYP resident staff as well as clinical programs that the University and NYP would like to see developed or expanded. The transaction price for the provision of these services is the result of an annual negotiation between the University and the other parties to the affiliation agreements that takes the form of a joint budget agreement. All material services are performed by the University, based on the terms of the agreements, within the University's fiscal year and the related revenue is recognized accordingly in the consolidated financial statements. The revenues and expenses from these agreements are accounted for in patient care and education categories of the operating activity in the consolidated statements of activities.

Research and Development
The University engages in numerous research and development projects, which may be partially or fully sponsored by governmental and private funds. These costs are charged to operating expense as incurred. The University periodically funds and develops patents for certain technologies, then licenses the usage of these patents to companies for a specified period of time. The revenue, net of payments due to third parties, is recorded in "Revenue from other educational and research activities" in the consolidated statements of activities. Costs incurred with developing and maintaining these patents are expensed as incurred.

Institutional Support
Institutional support expense includes central administrative functions and expenses that support the management of the University. This category also includes any net operating surplus or deficit of the University's benefit pool, as recoveries from units across the University may be less than or greater than benefits paid in a given year.

Cash and Cash Equivalents
Cash and cash equivalents are recorded at fair value and include several depository accounts, checking accounts, institutional money market funds, and similar temporary investments with maturities of three months or less at the date of purchase. The University has elected to classify cash equivalents that are part of the University's investment portfolio as short-term investments.

Investments
The University's investments, consisting primarily of publicly traded fixed income and equity securities, alternative investments, and cash held for reinvestment, are stated at fair value as of June 30, 2022 and 2021. Alternative investments include investments in absolute return strategy funds, private equity funds, and real asset funds. The management of each respective fund provides the fair value of the investment. The University reflects its share of the partnerships or corporations in the consolidated financial statements.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The University believes that the net asset value of its alternative investments is a reasonable estimate of fair value as of June 30, 2022 and 2021. Because alternative investment funds are not marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material. The amount of gain or loss associated with these investments is reflected in the consolidated financial statements based on the University's proportionate share in the net assets of these investments.

The University's presentation in the consolidated statements of cash flows for limited liability partnerships, limited liability corporations, and other similarly structured investments is consistent with the accounting for equity method investments as it represents the underlying nature of these investments in which the University has a capital account.

The University records purchases and sales of securities on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected in the consolidated statements of activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

Split-Interest Agreements

The University's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and irrevocable charitable remainder trusts for which the University serves as custodian and trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements. In the case of irrevocable split-interest agreements whose assets are held in trusts not administered by the University (third-party charitable trusts), the University will recognize its beneficial interest when it receives sufficient reliable information and documentation that establishes the trust's existence, the University's beneficial interest, and the value of that interest.

Contribution revenues for split-interest agreements are recognized at the dates the agreements are established net of the present value of the estimated future payments to be made to the beneficiaries, if applicable, under these agreements. The discounts on those agreements are computed using an interest rate for the year in which the contribution was received and considers market and credit risk as applicable. Assets related to these agreements are recorded in "Investments, at fair value" and the liability for the present value of the estimated future payments to be made to the beneficiaries is recorded in "Other long-term liabilities" in the consolidated statements of financial position. Adjustments to the fair value of these agreements are recorded in the consolidated statements of activities under "Present value adjustment to split-interest agreements".

Institutional Real Estate

Institutional real estate consists primarily of properties proximate to the University's Morningside and Washington Heights campuses, the primary purpose of which is to house faculty, staff, and graduate students. The income earned on this investment is used primarily to finance operating expenditures. The properties are valued at cost and depreciated over useful lives ranging from twelve and one half to fifty years.

Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost net of accumulated depreciation. Depreciation is calculated on a straight-line basis over useful lives ranging from ten to one hundred years for buildings and building improvements and two to twenty years for equipment, consistent with the method used for government cost reimbursement purposes. Capitalized software costs are amortized over seven years. Upon disposal of assets, the costs and accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in nonoperating activities.

Collections
The University's collections include works of art, literary works, historical treasures and artifacts maintained in the University's libraries and museums. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service. Proceeds realized from deaccessioning collection items are to be used for the acquisition of new items for the University's collection and/or enhancing the life, usefulness or quality of the existing collection through long-term direct care and preservation, which includes conservation care, cataloging and documenting and proper access and use of the collection. Accordingly, such collections are not capitalized and contributed items are not recognized as revenue for financial statement purposes.

Interest in Perpetual Trusts Held by Others
The University is the beneficiary of certain perpetual trusts administered by others. These trusts are recognized as contributions with donor restrictions when the University receives sufficient reliable information and documentation that establishes the trust's existence, the University's beneficial interest, and the value of that interest. The fair value of the interest in these perpetual trusts is based on the University's proportional share of the fair value of assets reported by the trust, and is recorded in "Other assets" in the consolidated statements of financial position. Adjustments to the fair value of the University's interest are reported as "Change in funds held by others in perpetuity" in nonoperating activity in the consolidated statements of activities.

Leases
The University enters into lease arrangements for space and equipment and, upon entering in an arrangement, determines the appropriate treatment in accordance with ASU 2016-02, Leases (Topic 842). Arrangements in which substantially all of the risks of ownership have been transferred to the University are accounted for as finance leases and extend up to seven years for equipment and up to 50 years for space.

Arrangements which do not qualify for finance lease treatment but still provide the University the right to use the underlying asset are deemed to be operating leases. These leases are recorded on the statement of financial position as "Right of use, lease assets" and "Right of use, lease obligations". The University has elected the short-term lease exemption policy which permits an entity to not capitalize short-term Right of use, lease assets in its statement of financial position. The University uses an incremental borrowing rate for discounting leases, as applicable, and has elected to separate lease and non-lease components in the calculation of the Right of use, lease assets and lease obligations. Right of use leases typically extend up to five years for equipment and up to 20 years for space.

Conditional Asset Retirement Obligations
Conditional asset retirement obligations are recognized for remediation or disposal of asbestos, underground storage tanks, soil, and radioactive sources and equipment as required by law. The fair value of the liability is recognized in the period in which it occurred, provided that it can be reasonably estimated.

Other Long-Term Liabilities

Other long-term liabilities are obligations that extend beyond one year, or operating cycle, whichever is longer. The obligations for medical malpractice liabilities, self-insurance reserves, the fixed payer interest rate swap agreement, split-interest agreement liabilities, and other commitments are categorized in other long-term liabilities.

Use of Estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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. The most significant estimates include valuation of investments without readily determinable prices in active markets, useful lives of depreciable assets, actuarially determined costs associated with split-interest agreements, pension, postemployment and postretirement benefits, explicit and implicit price concessions for patient and other receivables, insurance obligations, and conditional asset retirement obligations.

2021 Presentation

Within the consolidated statements of activities, prior year presentation of net asset categorization has been condensed for comparative purposes. Accordingly, such information should be read in conjunction with the University's audited consolidated financial statements for the year ended June 30, 2021. Further, certain prior year information has been reclassified to conform to current year presentation.

New Authoritative Pronouncements

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU amends financial reporting requirements in Topic 958, Not-for-Profit Entities by providing new presentation and disclosures requirements about contributed nonfinancial assets for NFP. The University adopted ASU No. 2020-07 for the fiscal year ended June 30, 2022 with no material impact on the consolidated financial statements.

In August of 2018, the FASB issued ASU No. 2018-14, Compensation-Retirement Benefits-Defined Benefit-General (Subtopic 715-20) Disclosure Framework-Changes to the disclosure requirements for defined benefit plans. The ASU removes certain disclosure requirements and adds other new requirements. The University adopted ASU No. 2018-14 for the fiscal year ended June 30, 2022 with no material impact on the consolidated financial statements. See Note 13 for disclosures about pension and other postretirement benefits.

In August 2018, the FASB issued ASU No. 2018-15, Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40). The ASU amends financial reporting requirements in ASU No. 2015-05, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement. The new guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal use software. The University adopted ASU No. 2018-15 for the fiscal year ended June 30, 2022 with no material impact on the consolidated financial statements.

(in thousands of dollars, unless otherwise noted)

3. Net Assets

The University classifies its net assets as without donor restrictions or with donor restrictions. Periodically, donor redesignations may result in reclassifications of net assets. Descriptions of the two net asset categories and the types of transactions affecting each category follow.

Without Donor Restrictions—Net assets that are not subject to explicit donor-imposed restrictions. This category includes funds designated by the Board of Trustees to function as endowment and other undesignated funds such as tuition and other current funds, gifts without restrictions (including gifts whose donor-imposed restrictions were met during the fiscal year), net investment in plant, and student loan funds.

With Donor Restrictions—Net assets that are subject to explicit donor-imposed stipulations. This includes net assets with donor restrictions that will be satisfied by actions of the University, the passage of time, or both. These net assets include gifts for which the donor-imposed restriction(s) have not been met in the year of receipt (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 these to be maintained permanently by the University and invested to provide a perpetual source of income. Net assets with donor restrictions that are permanent include (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) realized and unrealized gains and losses to the permanent endowment when stipulated by the donor gift instrument.

The composition of the University's net assets as of June 30 are as follows:

	2022	2021
With Donor Restrictions		
Endowment funds	$ 8,962,550	$ 9,900,513
Unexpended capital and other [a]	474,197	695,884
Pledges receivable	581,246	622,853
Annuity and life income funds	111,912	151,181
Total, Net Assets With Donor Restrictions	10,129,905	11,370,431
Without Donor Restrictions		
Board designated endowment	4,317,296	4,449,457
Undesignated	3,986,030	3,806,022
Total, Net Assets Without Donor Restrictions	8,303,326	8,255,479
Total Net Assets	$ 18,433,231	$ 19,625,910

[a] Includes capital gifts not yet released from restriction, unspent gift and endowment income balances, and student loan funds.

4. Operating Measurement

The University divides its consolidated statements of activities into operating and nonoperating activities. The operating activities of the University include all income and expenses related to carrying out its mission focused on education, research, and patient care. Operating revenues include investment income and endowment appreciation utilized to fund current operations, the largest portion of which is the distribution of funds budgeted in accordance with the endowment spending rule.

Nonoperating activities include current year realized and unrealized gains and losses on investments, including realized gain distributions from fund investments, less amounts withdrawn from endowment appreciation to fund operations. Nonoperating activities also include new gifts to donor-restricted endowments that the University must hold in perpetuity, changes in net assets held by CPMC Fund, Inc., changes in funds held by others in perpetuity, present value adjustments to split-interest agreements, net periodic benefit cost other than service cost, changes in pension and postretirement obligations, other items, and reclassifications.

5. Patient Care Revenue

The University's affiliation agreements with area hospitals generated $446.4 million and $412.6 million of revenue for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, "Accounts receivable, net" includes $127.2 million and $122.8 million, respectively, relating to these agreements.

Medical faculty practice revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Medical faculty practice revenues are $926.0 million and $938.4 million for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, patient accounts receivable amounts to $115.2 million and $115.5 million, respectively. Medical service agreements generated $41.5 million and $35.8 million of revenue for the years ended June 30, 2022 and 2021, respectively, and other patient care activities generated $97.7 million and $93.3 million of revenue for the years ended June 30, 2022 and 2021, respectively.

6. Long-Term Investments and Fair Value

The University values its investments at fair value for financial assets and liabilities. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value utilize relevant observable inputs and minimize the use of unobservable inputs.

The University follows a fair value hierarchy based on three levels of inputs, described below:

Fair value for Level 1 is based on quoted prices in active markets that the University has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The University does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are observable.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they are not actively traded.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining the categorization of the University's investments within the fair value hierarchy, the University has considered market information including observable net asset values and the length of time until the investment will become redeemable. Investments for which fair value is measured using net asset values ("NAV") as a practical expedient are excluded from the hierarchy and have been reported separately within the table below. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of that instrument and does not necessarily correspond to the University's perceived risk of that instrument.

From time to time, the University may hold direct real estate investments. These investments are categorized as Level 3 within the fair value hierarchy. Valuation for material directly held real estate investments is determined from periodic valuations prepared by independent appraisers or broker opinions.

The University holds certain investments for which fair value is determined generally by using the unadjusted NAV per share as provided by the fund management as a practical expedient. Investments categorized as NAV include the University's ownership in funds that invest in alternative assets (i.e. absolute return strategy funds, private equity funds, and real asset funds) and funds that invest in equity and fixed income strategies for which observable net asset values are not available. The value of the University's investments in these funds represents the University's ownership interest in the net asset value of the respective fund. Items classified as NAV do not have a quoted price in an active market place. As a practical expedient, the University estimates the fair value of an investment at the measurement date using the NAV reported by the fund manager without further adjustment, provided the NAV has been calculated in accordance with or in a manner consistent with GAAP, and provided further that the University does not expect to sell the investment at a value other than NAV. The University has various processes and controls in place to ensure investment fair value is reasonable and performs various due diligence procedures over its investments including an assessment of applicable accounting policies, a review of the valuation procedures employed, and consideration of redemption features and price transparency.

(in thousands of dollars, unless otherwise noted)

The following tables present assets measured at fair value and NAV at June 30, 2022 and June 30, 2021.

	2022				
	Level 1	Level 2	Level 3	NAV	Total
Investments:					
Cash and short-term investments	$1,018,503	$ 376,927			$ 1,395,430
Global equities	802,015	500,136	$ 658	$ 2,105,044	3,407,853
Fixed income	311,057	68,949			380,006
Absolute return strategies		4		4,055,448	4,055,452
Private equity	7,075		151,870	3,139,022	3,297,967
Real assets	4,746	1,742	10,241	2,217,772	2,234,501
Subtotal, Investments	2,143,396	947,758	162,769	11,517,286	14,771,209
Receivables for securities sold					15,593
Liabilities for securities purchased					(511,371)
Investments, at fair value					$ 14,275,431

	Level 1	Level 2	Level 3	NAV	Total
Other assets:					
Interest in perpetual trusts held by others			$ 187,676		$ 187,676

(in thousands of dollars, unless otherwise noted)

	2021				
	Level 1	Level 2	Level 3	NAV	Total
Investments:					
Cash and short-term investments	$ 1,264,691	$ 598,646			$ 1,863,337
Global equities	965,865	36,916	$ 1,280	$ 2,366,699	3,370,760
Fixed income	27,849	1,031	17	281,470	310,367
Absolute return strategies		1		4,387,264	4,387,265
Private equity	25,723		208,449	3,415,388	3,649,560
Real assets	9,612	2,241	16,348	2,046,167	2,074,368
Subtotal, Investments	2,293,740	638,835	226,094	12,496,988	15,655,657
Receivables for securities sold					98,856
Liabilities for securities purchased					(2,160)
Investments, at fair value					$ 15,752,353

	Level 1	Level 2	Level 3	NAV	Total
Other assets:					
Interest in perpetual trusts held by others			$ 221,506		$ 221,506

Note: The fair value of the NAV investments as of June 30, 2021 is inclusive of $50 million of receivables for investment subscriptions entered into during the year ended June 30, 2021, with an effective date subsequent to June 30, 2021.

Cash and Short-Term Investments
Cash and short-term investments include government securities and money market instruments and are valued at amortized cost, which approximates fair value.

Global Equities and Fixed Income
Global equities and fixed income consist of investments in publicly traded U.S. and foreign common and preferred equities, funds that invest in equity and fixed income based strategies, and cash held in separate accounts committed to these strategies. The fair value of these investments is based on quoted market prices. Investments that are listed on an exchange are valued, in general, at the last reported sale price (or, if there is no sales price, at the last reported bid price, or, in the absence of reported bid prices, at the mean between the last reported bid and asked prices thereof). Fund investments in equity and fixed income based strategies are valued in accordance with NAV provided by the investment managers of the underlying funds. If the University has valued the investment based on NAV as a practical expedient, the investment has been excluded from the fair value hierarchy and will be categorized as NAV. If the valuation does not meet the practical expedient criteria and the University has the ability to redeem from a fund up to 180 days beyond the measurement date, the investment is categorized as Level 2. If the redemption period extends beyond 180 days, the investment is categorized as Level 3.

Alternative Investments
Alternative investments include absolute return strategies, private equity, and real assets. Holdings in these strategies may be in funds or in separate accounts with direct investments in listed equities and fixed income, as well as cash committed to fund these investments. Private equity funds include large market, leveraged buyout, and venture capital based strategies. The University values

these investments in accordance with valuations provided by the investment managers of the underlying funds. Investments in securities that are publicly traded, whether held by a fund or in a separate account, are generally valued based on observable market prices unless a restriction exists. In addition, investments in a private equity fund may be publicly traded and valued based on observable market prices.

As a general rule, alternative investments are valued based upon the best information available for a given circumstance and may incorporate assumptions that are the best estimate after consideration of a variety of internal and external factors. The fair value of investments categorized as Level 1 are based on quoted prices on a public market. If no public market exists for the investments, the fair value is determined by taking into consideration, among other things, the last reported bid price obtained from pricing sources or broker quotes, the cost of the investment, prices of recent significant placements of similar investments of the same issuer, and subsequent developments concerning the companies to which the investments relate. The University's management may consider other factors in assessing the fair value of these investments. If the University has valued these alternative investments based on NAV as a practical expedient, the investment is excluded from the fair value hierarchy and will be categorized as NAV. For investments in absolute return strategies, if the valuation does not meet the practical expedient criteria and the University has the ability to redeem from the investment up to 180 days beyond the measurement date, the investment is categorized as Level 2. If the redemption period extends beyond 180 days, the investment is categorized as Level 3. For private equity funds and real asset funds, if the valuation does not meet the practical expedient criteria, the investments are categorized as Level 3 given that the University does not have discretion for timing of withdrawal.

The fair value of the alternative investment funds in the table above represents the amount the University would expect to receive at June 30, 2022 and 2021, if it had liquidated its investments on these dates. The University has performed due diligence around these investments and believes that the NAV of its alternative investments is a reasonable estimate of fair value as of June 30, 2022 and 2021. Alternative investments may allocate a high percentage of their assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the investments may be susceptible to economic, political, and regulatory developments in a particular sector of the market, positive or negative, and may experience increased volatility in net asset values.

Perpetual Trusts

The fair value of interest in perpetual trusts held by others is based on the University's share of the income generated by the trust, ascribed to the fair value of the assets reported by the trust.

Derivatives

Investment fund managers may invest in derivatives, and the value of these positions is reflected in the NAV of the respective funds. Separately, the University employs derivatives primarily to hedge its risks and to rebalance its market exposures. Derivatives used may include futures, swaps, options, and forward contracts and are reflected at fair value following the definition of Level 1 and Level 2 assets as described above. Certain derivative positions held within the endowment portfolio are subject to master netting agreements included within an International Swap and Derivatives Association, Inc. ("ISDA") master agreement with each of the counterparties.

(in thousands of dollars, unless otherwise noted)

The following positions are reflected on a net basis within "Investments, at fair value" on the consolidated statements of financial position and are summarized below.

Derivative Instruments	Notional Exposure Long	Notional Exposure Short	Gross Asset	Gross Liability	Net Fair Value	Collateral Posted
June 30, 2022						
Equity	$ 625,646			$ (5,620)	$ (5,620)	$ 109,854
Currency*			1,903	(736)	1,167	
June 30, 2021						
Equity	$ 288,118		$ 24,493		$ 24,493	$ 13,489
Currency*			2,674	(1,316)	1,358	

*The University held currency derivative contracts with an aggregate notional amount of $52.6 million and $216.5 million as of June 30, 2022 and 2021, respectively.

Outside of the endowment portfolio, the University entered into a fixed payer interest rate swap as described in Note 16. The estimated fair value of the agreement is reported as a liability of $45.9 million and $83.4 million at June 30, 2022 and 2021, respectively, and is considered a Level 2 measurement. The derivatives are reflected as a receivable or payable, as appropriate, on the consolidated statements of financial position. Unrealized gain or loss from derivative investments is a component of the "Current year realized and unrealized capital gains (losses)" in the consolidated statements of activities.

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

(in thousands of dollars, unless otherwise noted)

The following tables roll forward the amounts reported in the consolidated statements of financial position for financial instruments classified by the University within Level 3 of the fair value hierarchy defined above at June 30, 2022 and 2021.

	June 30, 2021	Transfers In/Out	Purchases	Sales	Realized gain/loss	Unrealized gain/loss	June 30, 2022
Global equities	$ 1,280					$ (622)	$ 658
Fixed income	17			(33)		16	
Private equity	208,449	(12,468)	24,230	(9,681)	$ 5,790	(64,450)	151,870
Real assets	16,348			(2,195)		(3,912)	10,241
Total level 3 investments	$ 226,094	$ (12,468)	$ 24,230	$ (11,909)	$ 5,790	$ (68,968)	$ 162,769

	June 30, 2021	Transfers In/Out	Disburse-ments	Realized/ Unrealized gain/loss, net	June 30, 2022
Interest in perpetual trusts held by others	$ 221,506		$ (7,447)	$ (26,383)	$ 187,676

	June 30, 2020	Transfers In/Out	Purchases	Sales	Realized gain/loss	Unrealized gain/loss	June 30, 2021
Global equities	$ 1,229			$ (204)		$ 255	$ 1,280
Fixed income	16		$ 33	(2)		(30)	17
Private equity	196,634	(6,195)	21,293	(6,546)	$ (109)	3,372	208,449
Real assets	22,360	(3,127)		(2,197)		(688)	16,348
Total level 3 investments	$ 220,239	$ (9,322)	$ 21,326	$ (8,949)	$ (109)	$ 2,909	$ 226,094

	June 30, 2020	Transfers In/Out	Disburse-ments	Realized/ Unrealized gain/loss, net	June 30, 2021
Interest in perpetual trusts held by others	$ 177,810		$ (7,184)	$ 50,880	$ 221,506

All net realized and unrealized gains (losses) in the tables above are reflected in the consolidated statements of activities. Net unrealized gains (losses) relate to those financial instruments held by the University at June 30, 2022 and 2021. The University's policy is to recognize transfers in and transfers out as of the end of the period. Transfers between Level 3 and Level 1, Level 3 and Level 2 as well as between Level 3 and NAV are reported at gross, due to the criteria described above. There were no significant transfers between Level 1 and Level 2 for the years ended June 30, 2022 and 2021. There were no transfers between NAV and Level 2 for the years ended June 30, 2022 and 2021.

Certain investments in global equities and alternative investments may be subject to restrictions that (i) limit the University's ability to withdraw capital after such investment and (ii) limit the amount that may be withdrawn as of a given redemption date. The redemption terms of the University's investments in absolute return strategy funds vary from daily to triennial, with a portion of these investments designated as "illiquid" in "sidepockets" and that portion may not be available for withdrawal until liquidated by the investing fund and redemption notice periods range from 0 days to 180 days. Generally, as noted above, the University has no discretion as to withdrawal of its investment in private equity and real asset funds; distributions are made when sales of assets are made within the funds. In general, the remaining life of these private equity and real asset funds is up to 12 years.

The University is obligated under certain investment fund agreements to advance additional funding up to specified levels over a period of several years. These commitments have fixed expiration dates and other termination clauses. At June 30, 2022, the University had unfunded commitments of approximately $2.3 billion as follows:

Asset class ($ in millions)	Remaining life of fund	Unfunded commitments	Timing to draw commitments
Global equities	N/A	$ 15	1 to 8 years
Absolute return strategies	N/A	63	1 to 5 years
Private equity	1 to 12 years	1,505	1 to 12 years
Real assets	1 to 12 years	675	1 to 12 years
Total		$ 2,258	

The University's estimate of the lives of the funds could vary significantly depending on the investment decisions of the external fund managers, changes in the University's portfolio, and other circumstances. Furthermore, the University's obligation to fund the commitments noted above may be waived by the fund manager for a variety of reasons including market conditions and/or changes in investment strategy.

The University has various sources of internal liquidity at its disposal, including cash, short-term investments, marketable debt and equity securities, and lines of credit, which are available to fund the committed drawdowns.

Investment Return

Investment income and gains utilized on the consolidated statements of activities contains endowment appreciation utilized to fund the spending rule, institutional real estate revenue net of operating expenses and depreciation, and other investment income. Endowment appreciation utilized was $599.6 million and $583.1 million during 2022 and 2021, respectively. "Current year realized and unrealized capital gains (losses)" reported in nonoperating activities reflect investment returns net of external and direct internal investment costs, reduced by endowment appreciation utilized to fund the spending rule.

7. Endowment Funds

The University's endowment consists of approximately 6,200 separate funds established over many years for a wide variety of purposes, which include support of specific schools or departments of the University, professorships, research, faculty support, scholarships and fellowships, library, building construction, and other purposes. The endowment includes donor-restricted endowments and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The University employs a market value unit method of accounting for pooled general investments. Each participating fund enters and withdraws from the pooled investment account based on monthly unit market values. Changes in the market value of investments are distributed proportionately to each fund that participates in the investment pool. Net investment income distributed during the year is allocated on a per unit basis to each participating fund.

Relevant Law
Under New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the University may appropriate so much of a donor-restricted endowment fund as it deems prudent, considering the specific factors set forth in NYPMIFA and subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the earnings in an endowment fund are considered to have donor restrictions until appropriated.

The University continues to classify as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accumulated appreciation on donor-restricted endowment funds is also included as net assets with donor restrictions until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by NYPMIFA.

(in thousands of dollars, unless otherwise noted)

The composition and changes in the University's endowment net assets as of June 30, 2022 and 2021, are as follows:

	2022		
Changes in University endowment net assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Opening balance - June 30, 2021	$ 4,449,457	$ 9,900,513	$ 14,349,970
Investment return	(232,424)	(764,852)	(997,276)
New gifts	1,179	210,026	211,205
Appropriation for expenditure	(230,754)	(430,685)	(661,439)
Other changes:			
Transfers	348,730	28,656	377,386
Other / Reclassifications	(18,892)	18,892	
	329,838	47,548	377,386
Closing balance - June 30, 2022	$ 4,317,296	$ 8,962,550	$ 13,279,846
University endowment composition			
Donor-restricted endowment funds:			
Restricted in perpetuity		$ 4,062,435	$ 4,062,435
Appreciation		4,242,064	4,242,064
Board designated endowment:			
Departmental funds	1,879,131	458,860	2,337,991
University funds	1,635,067		1,635,067
Institutional real estate, net	803,098		803,098
CPMC Fund, Inc.		11,515	11,515
Interests in perpetual trusts held by others		187,676	187,676
University's endowment value	$ 4,317,296	$ 8,962,550	$ 13,279,846

Note: The tables above do not include split-interest agreements, net of $118,223 and pledges receivable, net of $272,420.

Reconciliation to Investments, at fair value		
Investments, at fair value		$ 14,275,431
Add:		
Interests in perpetual trusts held by others	187,676	
CPMC Fund, Inc.	11,515	
Institutional real estate, net	803,098	
Other receivables and payables	3,599	1,005,888
Subtract:		
Other long-term investments	(1,730,593)	
Split-interest agreements	(180,187)	
Funds held on behalf of others	(90,693)	(2,001,473)
University's endowment value		$ 13,279,846

(in thousands of dollars, unless otherwise noted)

	2021		
Changes in University endowment net assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Opening balance - June 30, 2020	$ 3,565,407	$ 7,691,614	$ 11,257,021
Investment return	955,012	2,409,708	3,364,720
New gifts	1,248	186,086	187,334
Appropriation for expenditure	(210,602)	(427,395)	(637,997)
Other changes:			
Transfers	131,835	48,780	180,615
Other / Reclassifications	6,557	(8,280)	(1,723)
	138,392	40,500	178,892
Closing balance - June 30, 2021	$ 4,449,457	$ 9,900,513	$ 14,349,970
University endowment composition			
Donor-restricted endowment funds:			
Restricted in perpetuity		$ 3,842,733	$ 3,842,733
Appreciation		5,304,917	5,304,917
Board designated endowment:			
Departmental funds	1,901,660	512,480	2,414,140
University funds	1,855,140		1,855,140
Institutional real estate, net	692,657		692,657
CPMC Fund, Inc.		18,877	18,877
Interests in perpetual trusts held by others		221,506	221,506
University's endowment value	$ 4,449,457	$ 9,900,513	$ 14,349,970

Note: The tables above do not include split-interest agreements, net of $157,298 and pledges receivable, net of $285,915.

Reconciliation to Investments, at fair value		
Investments, at fair value		$ 15,752,353
Add:		
Interests in perpetual trusts held by others	221,506	
CPMC Fund, Inc.	18,877	
Institutional real estate, net	692,657	
Other receivables and payables	10,258	943,298
Subtract:		
Other long-term investments	(2,021,029)	
Split-interest agreements	(225,611)	
Funds held on behalf of others	(99,041)	(2,345,681)
University's endowment value		$ 14,349,970

Return Objectives and Risk Parameters
Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under the University's investment policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce performance which exceeds that of relevant indices for each asset class while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives
The University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Rule
The endowment spending rule utilized by the University is designed to be directly responsive to both investment returns and the current level of price inflation. Its long-term objectives are:

- To protect the corpus of the endowment by spending no more than the real investment return;
- To cushion spending against market volatility; and
- To provide specific spending instructions and multiyear spending projections based on explicit future investment return assumptions.

The current endowment spending rule is based on two factors: first, the market value multiplied by a target spending rate of 4.5 percent, which provides a response to investment market conditions; and second, the prior year's spending plus inflation, which ties spending increases to operating needs and cushions spending against market volatility. This allows the University to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

As a general policy, each fiscal year's distribution is calculated by adding together the following:

a. The market value of the endowment at a point twelve months prior to the beginning of the given fiscal year, multiplied by the target spending rate, multiplied by a 40 percent weighting; and

b. Endowment spending in the year immediately preceding the given fiscal year, grown or reduced by an inflation factor, which is defined as the Higher Education Price Index ("HEPI"), multiplied by a 60 percent weighting.

The Trustees conduct a special review in any year in which either projected endowment distributions are 0.5 percent higher or lower than the target spending rate, or if the increase in endowment distributions over the previous year is more than 3 percentage points higher or lower than HEPI. Additionally, from time to time, management may recommend and the Trustees may approve a temporary override of the spending rule to ensure the University's ability to sustain the permanent nature of the endowment.

In addition to the base spending rate described above, an additional payout component was approved as a temporary measure by the Trustees in 2008, applied as a percentage of the prior year beginning market value for certain endowments in categories key to the University's current development efforts, primarily endowments for purposes core to the University's educational and research mission, including financial aid and faculty support. For both years ended June 30, 2022 and 2021 the additional payout rate was 0.65 percent. The additional payout component is reviewed by the Trustees regularly and has currently been extended through the end of fiscal year 2023.

(in thousands of dollars, unless otherwise noted)

Underwater Endowment Funds

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. As of June 30, 2022, deficits totaling $13.6 million existed in funds which combined had an original gift value of $227.0 million and a current market value of $213.4 million. As of June 30, 2021, no such deficits existed. The deficits resulted from market fluctuations that occurred after the investment of recent contributions and authorized appropriation from an endowment that was deemed prudent.

8. Accounts Receivable

Accounts receivable, net, consists of the following as of June 30:

	2022	2021
Patient receivables, net of contractual allowances	$ 175,160	$ 160,179
Government agencies	131,832	123,937
NewYork-Presbyterian Hospital	140,567	137,363
Patent and licensing	7,649	8,440
Student receivables	88,174	73,067
Investment income receivable	3,951	4,103
Other receivables	174,253	147,762
	721,586	654,851
Less: Allowance for doubtful accounts	(83,632)	(67,163)
Accounts receivable, net	$ 637,954	$ 587,688

Patient receivables for medical services are net of an allowance for contractual reserves in the amount of $345.4 million and $334.7 million at June 30, 2022 and 2021, respectively.

(in thousands of dollars, unless otherwise noted)

9. Student Loans Receivable and Financial Aid

The University participates in various federal loan programs, in addition to administering institutional loan programs. Loans receivable from students are recorded in "Other Assets" and as of June 30 are as follows:

	2022	2021
Government revolving loans	$ 37,046	$ 42,388
Institutional loans	23,340	25,024
Gross student loans	60,386	67,412
Less: Allowance for doubtful collections	(2,444)	(2,462)
Student loans receivable, net	$ 57,942	$ 64,950

Government revolving loans are funded principally with federal advances to the University under the Federal Perkins Loan Program and certain other programs, which are classified as liabilities on the consolidated statements of financial position. The Federal Perkins Loan Program expired on September 30, 2017 and no new disbursements were permitted after June 30, 2018, but there are outstanding balances from loans awarded in previous years. Balances totaled $32.1 million and $38.8 million under the Federal Perkins Loan Program, and $11.7 million and $15.6 million under the other programs as of June 30, 2022 and 2021, respectively. Interest earned on the revolving and institutional loan programs is reinvested to support additional loans. The repayment and interest rate terms of the institutional loans vary considerably.

Management regularly assesses the adequacy of the allowance for doubtful collections by performing ongoing evaluation of the student loan and student accounts receivable portfolios. Loans receivable under federally guaranteed student loan programs are subject to significant restrictions.

In addition to the loans identified above, the University processes and authorizes loans to students through the William D. Ford Federal Direct Loan Program. The amounts due under this loan program are not recorded in the University's consolidated financial statements since the University does not guarantee any federal loan funds related to this program. Loans issued under this program were $322.1 million and $314.5 million for the years ended June 30, 2022 and 2021, respectively.

Undergraduate financial aid represents grants and awards for all or part of a student's tuition and fees, and in certain other instances, items such as room and board. Graduate financial aid represents grants and awards for all or part of a student's tuition and fees.

(in thousands of dollars, unless otherwise noted)

Financial aid granted to students is summarized as follows for the year ended June 30:

	2022	2021
Undergraduate	$ 222,551	$ 201,135
Graduate	302,085	301,851
Total financial aid grants	$ 524,636	$ 502,986

Agency activities such as tuition aid grants and Federal Pell Grant Program awards are not included in the University's consolidated financial statements. Both receipts and disbursements for these agency transactions were $12.5 million and $12.0 million in years ended June 30, 2022 and 2021, respectively.

10. Pledges Receivable

Unconditional promises to give appear as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded net of an allowance for uncollectible contributions and a discount to reflect the net present value based on projected cash flows. Periodically unconditional promises to give are reviewed for collectability. As a result, the allowance for uncollectible contributions may be adjusted and some contributions may be adjusted or cancelled. Such changes will be reflected in the consolidated financial statements.

Unconditional promises, and their expected collection dates, were as follows at June 30:

	2022	2021
Less than one year	$ 204,267	$ 217,914
One to five years	339,810	327,146
More than five years	151,774	184,541
Total unconditional promises	695,851	729,601
Less: Allowance for doubtful contributions	(35,628)	(33,854)
Less: Net present value discount	(78,977)	(72,894)
Net pledges receivable	$ 581,246	$ 622,853

New pledges recorded in the years ended June 30, 2022 and 2021, were discounted at an average annual rate of 3.47 percent and 1.08 percent, respectively, using a rate that considers market and credit risk. Credit risk is also considered in the allowance for doubtful contributions.

Pledges receivable were intended for the following purposes as of June 30:

	2022	2021
Endowment for educational and general purposes	$ 272,420	$ 285,915
New construction and modernization of plant	136,520	182,176
Support of University operations	172,306	154,762
Net pledges receivable	$ 581,246	$ 622,853

(in thousands of dollars, unless otherwise noted)

The University also has other outstanding pledges of $61.6 million as of June 30, 2022. These pledges represent either gifts with donor-imposed conditions, containing both a barrier and a right of return/release, or other pledges that have not met the requirements for recognition.

11. Land, Buildings, and Equipment

Investments in land, buildings, and equipment, net, consisted of the following at June 30:

	2022			2021		
	Total Land, Buildings, and Equipment	Accumulated Depreciation	Net Land, Buildings, and Equipment	Total Land, Buildings, and Equipment	Accumulated Depreciation	Net Land, Buildings, and Equipment
Land	$ 523,294		$ 523,294	$ 504,793		$ 504,793
Building and building improvements	7,853,721	(3,765,403)	4,088,318	6,778,681	(3,493,789)	3,284,892
Construction in progress	213,021		213,021	996,106		996,106
Equipment	745,719	(517,177)	228,542	704,693	(463,318)	241,375
Total	$ 9,335,755	$ (4,282,580)	$ 5,053,175	$ 8,984,273	$ (3,957,107)	$ 5,027,166

The University uses componentized depreciation to calculate depreciation expense for buildings and building improvements for research facilities included in operations. The costs of research facilities are separated into the building shell, building service systems, and fixed equipment, and each component is separately depreciated.

Equipment includes physical assets owned by the University as well as software costs and moveable equipment acquired through finance leases.

Building and building improvements include physical assets owned by the University as well as leasehold improvements, financed space leases, and construction in progress. The net book value of financed space leases at June 30, 2022 and 2021, was $74.6 million and $65.5 million, respectively.

12. Accrued Employee Benefit Liabilities

Accrued employee benefit liabilities arise from employment at the University. These include liabilities for pension, postretirement benefits, postemployment benefits, unused vacation, and deferred compensation.

Postemployment benefits relating to workers' compensation, short-term disability, and continuation of medical benefits for those on long-term disability are provided to former or inactive employees after employment but before retirement. The University records the costs of such benefits on an accrual basis if the employee has provided the services from which those benefits are derived. As of June 30, 2022 and 2021, the actuarially computed liabilities on the University's consolidated statements of financial position are $59.3 million and $59.6 million, respectively.

(in thousands of dollars, unless otherwise noted)

13. Pension and Other Postretirement Benefit Costs

Pension Plan Benefits

During 2022 and 2021, the University had four non-contributory pension plans (the "pension plans") for supporting staff employees. All four pension plans are subject to collective bargaining agreements. Two of the pension plans include defined benefits for past and future service. Two of the pension plans were terminated in December 2021; these plans provided defined benefits for service prior to January 1 and July 1, 1976, respectively. For these two terminated pension plans, future benefits were provided by defined contributions.

In addition, the University provides retirement benefits for full-time faculty, officers, certain other employees, and supporting staff under various defined contribution plans. University contributions for the plans reported in operating expenses were $178.0 million and $145.5 million for the years ended June 30, 2022 and 2021, respectively.

Postretirement Health Care and Life Insurance Benefits

The University provides postretirement health care and life insurance benefits for certain employees. The University accrues the estimated cost of these benefits over the years that eligible employees render service.

Obligations and Funded Status

The University follows authoritative guidance, which requires recognition on the consolidated statements of financial position of the difference between benefit obligations and any plan assets of the University's defined benefit and other postretirement benefit plans. In addition, the authoritative guidance requires unamortized amounts (e.g., net actuarial gains or losses and prior service cost or credits) to be recognized as changes to net assets without donor restrictions and that those amounts be adjusted as they are subsequently recognized as components of net periodic pension cost.

Amounts recognized in net assets without donor restrictions are as follows:

	Pension Plan Benefits		Other Postretirement Benefits	
	2022	2021	2022	2021
Net actuarial (gain) / loss	$ 21,109	$ 41,831	$ (66,802)	$ (84,082)
Prior service cost	52	117		
Total amount recognized	$ 21,161	$ 41,948	$ (66,802)	$ (84,082)

(in thousands of dollars, unless otherwise noted)

The components of accrued benefit costs for pension benefits and other postretirement benefits are as follows:

	Pension Plan Benefits		Other Postretirement Benefits	
	2022	2021	2022	2021
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 277,208	$ 274,358	$ 147,211	$ 151,358
Service cost	10,840	11,665	7,267	7,596
Interest cost	8,830	8,849	4,575	4,753
Plan participants' contributions			6,166	5,974
Actuarial gain	(65,195)	(4,589)	(35,429)	(11,772)
Federal subsidy			462	539
Plan termination	(9,654)			
Net disbursements and transfers	(9,265)	(13,075)	(13,626)	(11,237)
Benefit obligation, end of year	212,764	277,208	116,626	147,211
Change in plan assets:				
Fair value of assets, beginning of year	245,598	219,020	260,243	211,725
Actual return on plan assets	(43,168)	28,368	(31,159)	53,781
Employer contributions	12,687	11,285		
Plan participants' contributions			6,166	5,974
Plan termination	(9,654)			
Net disbursements and transfers	(9,265)	(13,075)	(13,626)	(11,237)
Fair value of assets, end of year	196,198	245,598	221,624	260,243
Net amount recognized	$ (16,566)	$ (31,610)	$ 104,998	$ 113,032

Weighted-average assumptions used to determine end of year benefit obligation	2022	2021
Discount rate	4.95%	2.25% to 3.10%
Rate of compensation increase	3.00%	3.00%

For pension plans, actuarial gains for the year ended June 30, 2022 were the result of an increase in the discount rate and changes in demographic assumptions, offset by lower asset returns than assumed and two plan terminations. Actuarial gains for the year ended June 30, 2021 resulted from asset returns in excess of planned returns and lower utilization per experience study conducted during the year.

For postretirement plans, actuarial gains for the year ended June 30, 2022 resulted from an increase in the discount rate and plan experience through the mortality table, offset by lower asset returns than assumed and higher claims. Actuarial gains for the year ended June 30, 2021 resulted from asset returns in excess of planned returns and a lower utilization per experience study conducted during the year.

The accumulated benefit obligations for the two underfunded pension plans at June 30, 2022 and 2021, were $196.4 and $243.6 million, respectively.

(in thousands of dollars, unless otherwise noted)

At June 30, 2022 and 2021, the projected benefit obligation exceeded the pension plan assets for two plans. The projected benefit obligation for the pension plans were as follows:

End of year	2022	2021
Projected benefit obligation	$ 212,764	$ 267,393
Fair value of plan assets	196,198	233,359

The accumulated postretirement benefit obligation for the other postretirement benefit plan and the fair value of plan assets with plan assets in excess of the accumulated postretirement benefit obligation was as follows:

End of year	2022	2021
Accumulated postretirement benefit obligation	$ 116,626	$ 147,211
Fair value of plan assets	221,624	260,243

A 6.50 percent annual rate of increase in the per capita cost of covered health care benefits for the other postretirement benefit plan was assumed for 2023. The rate was assumed to decrease gradually to 4.75 percent for year ended June 30, 2030 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

The asset allocation for the two defined benefit plans for both past and future service at June 30, 2022 and 2021, and the target allocation for 2023, by asset category, follows:

	Target allocation	Percentage of plan assets at year end	
	2023	2022	2021
Asset category			
U.S. large cap equity and global equity funds	26%	17%	18%
International equities (non-U.S.)	14%	21%	21%
High yield fixed income securities	10%	10%	10%
U.S. core fixed income	50%	52%	51%
	100%	100%	100%

The following presents investments of the pension plans as of June 30, 2022. The Plans' investments in common collective trusts are valued at NAV as a practical expedient and are therefore excluded from the fair value hierarchy and are reported as NAV. Level 3 assets represent fixed income related investment contracts with a major life insurance company.

	Level 1	Level 2	Level 3	NAV	Total
Common collective trust funds					
Global equity				$ 75,241	$ 75,241
Fixed income				120,957	120,957
Investments, at fair value				$ 196,198	$ 196,198

(in thousands of dollars, unless otherwise noted)

The following table is a roll forward of the amounts for investments classified within Level 3 as described above.

	June 30, 2021	Purchases (Gross)	Sales (Gross)	Investment gain/(loss)	June 30, 2022
Investment contracts	$ 1,956		$ (1,969)	$ 13	
Total level 3 investments	$ 1,956		$ (1,969)	$ 13	

The following presents investments of the pension plans as of June 30, 2021:

	Level 1	Level 2	Level 3	NAV	Total
Common collective trust funds					
Global equity				$ 90,873	$ 90,873
Fixed income				152,769	152,769
Fixed income investment contracts			$ 1,956		1,956
Investments, at fair value			$ 1,956	$ 243,642	$ 245,598

The following table is a roll forward of the amounts for investments classified within Level 3 as described above.

	June 30, 2020	Purchases (Gross)	Sales (Gross)	Investment gain/(loss)	June 30, 2021
Investment contracts	$ 1,991		$ (161)	$ 126	$ 1,956
Total level 3 investments	$ 1,991		$ (161)	$ 126	$ 1,956

The asset allocation for the other postretirement benefit plan at June 30, 2022 and 2021, and the target allocation for 2023, by asset category, follows:

	Target allocation	Percentage of plan assets at year's end	
	2023	2022	2021
Asset category			
U.S. large cap equity and global equity funds	52%	38%	38%
International equities (non-U.S.)	16%	30%	30%
U.S. fixed income	32%	32%	32%
	100%	100%	100%

(in thousands of dollars, unless otherwise noted)

The following presents investments of the other postretirement benefit plan as of June 30, 2022. The Plans' investments in common collective trusts are valued at NAV as a practical expedient and are therefore excluded from the fair value hierarchy and reported as NAV.

	Level 1	Level 2	Level 3	NAV	Total
Common collective trust funds					
Global equity				$ 149,623	$ 149,623
Fixed income				72,001	72,001
Investments, at fair value				$ 221,624	$ 221,624

The following presents investments of the other postretirement benefit plan as of June 30, 2021:

	Level 1	Level 2	Level 3	NAV	Total
Common collective trust funds					
Global equity				$ 176,724	$ 176,724
Fixed income				83,519	83,519
Investments, at fair value				$ 260,243	$ 260,243

Net Periodic Benefit Cost

The components of net periodic benefit cost for pension benefits and other postretirement benefits are as follows:

	Pension Plan Benefits		Other Postretirement Benefits	
	2022	2021	2022	2021
Components of net periodic benefit cost				
Service cost	$ 10,840	$ 11,665	$ 7,267	$ 7,596
Interest cost on projected benefit obligation	8,830	8,849	4,575	4,753
Expected return on assets	(12,160)	(11,351)	(16,098)	(13,063)
Amortization of prior service cost	65	65		
Settlement loss	6,636			
Amortization of unrecognized net losses/(gain)	3,999	4,222	(5,296)	(964)
Net periodic benefit cost	18,210	13,450	(9,552)	(1,678)

(in thousands of dollars, unless otherwise noted)

Amounts recognized in the Consolidated Statements of Activities
A summary of changes in plan assets and benefit obligations recognized in the consolidated statements of activities is as follows:

	Pension Plan Benefits		Other Postretirement Benefits	
	2022	**2021**	**2022**	**2021**
Summary of changes in plan assets and benefit obligations recognized in the Consolidated Statements of Activities				
Net periodic benefit cost - service cost	$ 10,840	$ 11,665	$ 7,267	$ 7,596
Total recognized in operating	10,840	11,665	7,267	7,596
Net periodic benefit cost other than service cost	7,370	1,785	(16,819)	(9,274)
Current year actuarial (gain)/loss	(9,868)	(21,605)	11,984	(52,248)
Amortization of actuarial gain/(loss)	(3,999)	(4,222)	5,296	964
Settlement cost	(6,636)			
Amortization of prior service cost	(65)	(65)		
Total recognized in nonoperating	(13,198)	(24,107)	461	(60,558)
Total recognized in operating and nonoperating	$ (2,358)	$ (12,442)	$ 7,728	$ (52,962)

Weighted-average assumptions used to determine net periodic pension cost	**2022**	**2021**
Discount rate	2.25% to 3.10%	2.15% to 3.15%
Expected return on plan assets	3.75% to 5.50%	3.75% to 5.50%
Rate of compensation increase	3.00%	3.00%

To arrive at assumptions for expected long-term rates of return on assets in the pension plans and the postretirement benefit plan, the University considered historical returns and future expectations for returns in each asset class in the asset allocation for the previously described pension and postretirement benefit portfolios.

(in thousands of dollars, unless otherwise noted)

Expected Cash Flows

Information about the expected cash flows for the plans is as follows:

	Pension Plan Benefits	Other Postretirement Benefits
Expected University contributions		
2023	$ 11,496	
Expected benefit payments		
2023	$ 8,386	$ 5,473
2024	8,990	5,639
2025	9,611	5,786
2026	10,212	6,310
2027	10,827	6,583
2028-2032	64,259	36,169
Total	$ 112,285	$ 65,960

Total benefits expected to be paid include both the University's share of the benefit cost net of Medicare subsidies and the participants' share of the cost, which is funded by participant contributions to the other postretirement benefit plan. The University receives a Medicare Part D subsidy from the federal government as reimbursement for certain retiree health benefits paid to plan participants, which was approximately $0.5 million in fiscal year 2022.

(in thousands of dollars, unless otherwise noted)

14. Lease Obligations

The University is the lessee of various equipment and space under noncancelable right of use and finance leases. Finance lease obligations at June 30, 2022 and 2021, were $136.1 million and $129.2 million, respectively. Right of use lease obligations at June 30, 2022 and 2021 were $290.7 million and $316.3 million, respectively.

Rental expense related to operating leases totaled $38.5 million and $40.8 million for fiscal years ended 2022 and 2021, respectively. Future minimum rental payments under right of use and finance leases are as follows:

	Right of use	Finance
Future minimum rental payments:		
2023	$ 35,266	$ 11,904
2024	34,588	9,099
2025	33,474	8,399
2026	29,516	7,629
2027	28,253	6,585
Thereafter	200,442	216,362
Total lease payments	361,539	259,978
Less: Imputed Interest	(70,821)	(123,891)
Present value of lease obligations at June 30, 2022	$ 290,718	$ 136,087

Weighted-average remaining lease term and discount rate for right of use and finance leases are as follows:

	2022	2021
Weighted average remaining lease term (in years)		
Right of use leases	7.2	7.2
Finance leases	17.1	17.1
Weighted average discount rate		
Right of use leases	3.54%	3.53%
Finance leases	4.41%	4.42%

Cash paid for amounts included in the measurement of lease obligations is as follows:

	2022	2021
Operating cash flows for right of use leases	$39,125	$37,734
Operating cash flows for finance leases	$9,294	$5,831
Financing cash flows for finance leases	$16,796	$16,791

The University leases properties to customers under agreements that are classified as right of use leases. The University's lessor arrangements are all operating leases and do not include any sales-type or direct finance leases. Space and equipment leased to others are included in "Land, buildings, and equipment, net" and "Institutional real estate".

15. Conditional Asset Retirement Obligations

Conditional asset retirement obligations are a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditioned on a future event that may or may not be within the control of the University. The University recognizes the fair value of this obligation in the period in which it occurred if a reasonable estimate of fair value can be made. Uncertainty with respect to the timing and/or method of settlement of the asset retirement obligation does not defer recognition of a liability.

Conditional asset retirement obligations related to remediation or disposal of asbestos, underground storage tanks, soil, radioactive sources, equipment, and miscellaneous other items were $130.4 million and $126.8 million at June 30, 2022 and 2021, respectively.

(in thousands of dollars, unless otherwise noted)

16. Bonds and Notes Payable

Bonds and notes payable outstanding are as follows at June 30:

	2022	2021
Dormitory Authority of the State of New York, tax exempt revenue bonds, Columbia University issues:		
Series 2020 A, 2.11%, maturing FY2051	$ 150,000	$ 150,000
Series 2018 A, 2.45% to 3.41%, maturing FY2029 to FY2049	150,000	150,000
Series 2018 B, 2.98%, maturing FY2039	175,185	175,185
Series 2017 A, 2.40% to 3.49%, maturing FY2028 to FY2048	150,000	150,000
Series 2017 B, 1.96% to 2.61%, maturing FY2025 to FY2030	40,475	40,475
Series 2016 A-1, 1.67%, maturing FY2027	50,000	50,000
Series 2016 A-2, 1.35% to 2.89%, maturing FY2024 to FY2047	130,000	130,000
Series 2016 B, 1.17% to 2.04%, maturing FY2023 to FY2032	105,885	123,965
Series 2015 A, 1.95% to 3.00%, maturing FY2026 to FY2046	92,535	92,535
Series 2015 B, 1.64% to 1.88%, maturing FY2023 to FY2025	15,525	21,545
Series 2012 A, 1.92%, maturing FY2023	52,005	89,065
Series 2011 A, 3.36%, maturing FY2022		15,000
Series 2009 A, variable rate, 0.82%, maturing FY2039	117,000	117,000
Series 2003 B, variable rate, 0.83%, maturing FY2024 to FY2028	30,000	30,000
Series 2002 C, variable rates, 0.06% to 1.25%, maturing FY2025 to FY2027	23,300	23,300
Taxable Series 2021 A, 2.85%, maturing FY2051	125,000	125,000
Taxable Series 2021 B, 1.52% to 2.59%, maturing FY2031 to FY2050	180,000	180,000
Taxable Series 2020 B, 2.34%, maturing FY2024 to FY2030	75,000	75,000
Taxable Series 2020 C, 2.00%, maturing FY2023 to FY2024	100,000	150,000
Taxable Series 2015, 3.46%, maturing FY2046	75,000	75,000
Taxable Series 2012, 3.83%, maturing FY2043	100,000	100,000
New Jersey Economic Development Corporation, tax exempt Series 2002, variable rate, 1.30%, maturing FY2028	3,245	3,730
Medium-Term Notes, Taxable Series C 6.53% to 7.36%, maturing FY2022		1,210
Empire State Development Corporation issues:		
9.00%, maturing FY2029	4,360	4,852
Interest-free, due FY2022		8,100
Economic Development Corporation Interest-free, due FY2022		10,000
Taxable Commercial Paper, variable rate, 0.05% to 2.25%	125,053	125,028
Subtotal, principal payments	2,069,568	2,215,990
Unamortized bond premium	250,833	276,896
Unamortized cost of issuance	(3,853)	(4,016)
Subtotal, bond premium and cost of issuance	246,980	272,880
Total bonds and notes payable	$ 2,316,548	$ 2,488,870

(in thousands of dollars, unless otherwise noted)

Estimated principal payments on bonds and notes payable and taxable commercial paper are summarized below:

Fiscal Year	Principal
2023	$ 121,692
2024	101,395
2025	64,988
2026	71,625
2027	84,228
Thereafter (through 2051)	1,500,588
Subtotal, Bonds and Notes Payable	$ 1,944,515
Taxable Commercial Paper	125,053
Total, Principal Payments	$ 2,069,568

The University issues most of its tax-exempt debt through the Dormitory Authority of the State of New York ("DASNY"). The University has not issued tax-exempt debt since fiscal year 2020.

In July 2020, the University issued $125 million of Series 2021A taxable bonds. These bonds pay interest at 2.85% and mature in 2050. The proceeds from Series 2021A will be used for general corporate purposes.

In July 2020, the University issued $180 million of Series 2021B taxable bonds. These bonds pay interest at 1.52%, 2.43% and 2.59% and mature in 2030, 2044, and 2049, respectively. The proceeds from Series 2021B will be used for general corporate purposes.

The University has a $150 million taxable commercial paper program. In April 2021, the University issued $125 million under its taxable commercial paper program. As of both June 30, 2022 and 2021 there was $125 million of commercial paper outstanding under this program.

The University recorded amortization of bond premium and issuance costs, net, of $26.1 million and $27.1 million for the years ended June 30, 2022 and 2021, respectively, as a reduction to interest expense.

As of June 30, 2022, the University had the following operating lines of credit: $150 million expiring in May 2025; $100 million expiring in November 2023; $100 million expiring in June 2023; $200 million expiring in October 2022. Additionally, the University had two $100 million standby lines of credit supporting self-liquidity for variable rate debt outstanding, expiring in January 2025 and January 2023. The lines are provided by six different lending institutions and, as of June 30, 2022, no balances were outstanding on the lines of credit.

The University has administrative covenants on its tax-exempt debt and lines of credit, with which it was in compliance as of June 30, 2022 and 2021.

On October 1, 2008, the University entered into a $200 million notional value fixed payer interest rate swap agreement to protect against the risk of interest rate changes. The estimated fair value of the swap liability was $45.9 million and $83.4 million at June 30, 2022 and 2021, respectively. The fair value of the swap is obtained by taking the present value of all future cash flows on the swap implied by the forward curve.

The University has letters of credit with various financial institutions totaling $70.6 million and $55.2 million at June 30, 2022 and 2021, respectively, primarily to secure certain self-insured liabilities in accordance with New York State requirements related to workers' compensation. There have been no draws under the letters of credit.

17. Insurance

In connection with managing financial risks through various third-party insurance programs, the University is self-insured in certain areas. Funded self-insurance liabilities primarily cover deductibles on general liability, trustees and officers' liability, and property insurance claims. Self-insurance liabilities are actuarially calculated on an annual basis. The University's core liability coverage is purchased through Pinnacle RRG, a Vermont-based risk retention group with seventeen other universities.

The University obtains medical malpractice insurance through MCIC and MLMIC. MCIC is a group-captive insurance company owned by the University, The Johns Hopkins Hospital, The Johns Hopkins University, University of Rochester Medical Center, Weill Cornell Medical College, Yale New Haven Health, Yale University School of Medicine, and NYP. MLMIC is a mutual company where policyholders are owners with full voting rights to elect the company's Board of Directors, thereby having direct input into vital areas of operation. The governing Board is comprised primarily of practicing physicians, dentists, and hospital administrators. More than 2,000 of the University's faculty physicians and dentists are enrolled in MCIC or MLMIC. The University has recorded self-insurance and medical malpractice liabilities of approximately $374.7 million and $356.7 million as of June 30, 2022 and 2021, respectively in "Other long-term liabilities". The medical malpractice liabilities of approximately $221.8 million and $216.5 million as of June 30, 2022 and 2021, respectively, are reported gross with an offsetting receivable for anticipated recoveries of $153.3 million and $145.2 million, respectively, recorded in "Other assets".

18. Affiliations and Related Party Transactions

The University maintains several clinical and education affiliation agreements with other organizations. Revenues and expenses from these agreements are accounted for in the operating activities section of the consolidated statements of activities. The most significant affiliation agreement is with NYP.

The University receives reimbursement from NYP for the provision of medical, professional, and supervisory staff services as well as other technical assistance. NYP provides funding to clinical departments for specific purposes including administration, supervision, and teaching of the NYP resident staff and salary support for faculty and staff providing services to NYP. In addition, NYP provides funding for clinical programs that the University and NYP would like to see developed or expanded. NYP also provides the departments with certain facilities and services (outpatient faculty practice offices, nursing, telecommunications, etc.) for which the University is invoiced on a monthly basis. Finally, the University and NYP collaborate and fund joint projects for which specific agreements are negotiated.

In addition, the University and NYP negotiate a funds flow, which forms the basis for the affiliation agreement. The fiscal year 2022 funds flow was approximately $416.8 million. The payments to NYP for goods and services were $106.6 million and $108.1 million for the years ended Jun 30, 2022 and 2021, respectively. The majority of revenues received pursuant to this agreement are reflected in the consolidated financial statements as a portion of "Patient care revenue" and the majority of the expenses related to this agreement are reflected in "Patient care expense".

The University records both receivables from and payables to NYP on the consolidated statements of financial position. The University has no liability for obligations and debt incurred by NYP. The University and NYP operate a radiological imaging center, ColumbiaDoctors/NewYork-Presbyterian Imaging, Inc. (CDNYPI). CDNYPI is a not-for-profit membership corporation, which was incorporated to operate pursuant to the terms and provisions of Article 28 of the New York Public Health Law, whereby it provides a full range of general radiology and interventional radiology services. In order to provide for efficient delivery of services and to secure a high level of expertise from existing resources, CDNYPI has entered into clinical and administrative agreements with the University and NYP. The revenue generated from these agreements was $40.6 million and $34.6 million for the years ended June 30, 2022 and 2021, respectively. In addition, the University recorded an interest in CDNYPI in the amount of $20.1 million and $15.1 million as of June 30, 2022 and 2021, respectively.

The University controls a not-for-profit practice entity and three professional corporations and, as such, consolidates these entities into the University's consolidated financial statements.

From time to time endowment funds held for the benefit of the University may be transferred from the CPMC Fund, Inc. to the University pursuant to the consent of the Trustees of the CPMC Fund, Inc. During the year ended June 30, 2022, the CPMC Fund, Inc. transferred one endowment to the University. The value of the endowment at the time of transfer was $5.3 million, with $0.7 million being donor-restricted funds that the University must hold in perpetuity. There were no transfers during the year ended June 30, 2021.

(in thousands of dollars, unless otherwise noted)

19. Liquidity and Availability of Resources

As part of the University's liquidity management, financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University may invest cash in excess of daily requirements in short-term and/or liquid investments. To further help manage unanticipated liquidity needs, the University has committed bank lines of credit along with a taxable commercial paper program.

The University's financial assets and liquidity resources available for general expenditures within one year of the date of the consolidated statements of financial position are as follows:

	2022	2021
Financial Assets:		
Cash and cash equivalents	$ 714,875	$ 754,556
Accounts receivable, net	593,353	549,336
Pledges receivable for operations and plant, net	106,031	119,771
Operating investments	1,533,215	1,727,252
Approved endowment payout for subsequent year	629,050	554,972
Other financial assets	17,786	22,107
Total financial assets available within one year	3,594,310	3,727,994
Liquidity resources:		
Taxable commercial paper program	150,000	150,000
Less: Taxable commercial paper issued	(125,053)	(125,000)
Bank lines of credit (undrawn)	750,000	800,000
Total liquidity resources available	774,947	825,000
Total financial assets and liquidity resources available within one year	$ 4,369,257	$ 4,552,994

Additionally, the University has board-designated funds functioning as endowments of $4.0 billion and $4.3 billion as of June 30, 2022 and 2021, respectively. Although the University does not intend to spend from these endowments other than amounts appropriated for general expenditure as part of its annual appropriation process, $3.5 billion and $3.8 billion, respectively, of these endowments without donor restrictions could be made available if necessary. However, both the funds functioning as endowment and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 6 for disclosures about investments).

20. 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 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 activities.

The University is subject to laws and regulations concerning environmental remediation and will, from time to time, establish reserves for potential obligations that management considers probable and for which reasonable estimates can be made (see Note 15 for disclosures about conditional asset retirement obligations). These estimates may change depending upon the nature and extent of contamination, appropriate remediation technologies, and regulatory approvals. The University is not aware of any existing conditions that it currently believes are likely to have a material adverse effect on the University's financial position, changes in net assets, or cash flows.

The University's capital improvement program and related commitments include projects that address the major strategic objectives of the University. As part of the capital improvement program, the University has entered into contracts to purchase properties with an aggregate value of $44.5 million. As of June 30, 2022, approximately $43.6 million is still outstanding.

The University has made commitments related to its expansion in Manhattanville, certain of which are based upon events in the future which would result in cash and in-kind payments from the University. Those that are estimable have been recorded as liabilities.

(in thousands of dollars, unless otherwise noted)

21. Expenses by Functional and Natural Classification

Expenses are reported for the University's primary program activities. The consolidated statements of activities also report certain categories of expenditures that support more than one major program of the University. These expenses include operation and maintenance of plant, depreciation expense, and interest expense.

Expenses by functional and natural classification for the years ended June 30, 2022 and 2021 are as follows:

	2022				
			Natural Classification post Allocation		
	Expenses per Statement of Activities	Allocation	Compensation and Benefits	Other	Final Allocated Expenses
Instruction and educational administration	$ 2,093,132	$ 320,443	$ 1,655,687	$ 757,888	$ 2,413,575
Research	812,624	114,250	489,141	437,733	926,874
Patient care expense	1,317,600	89,992	1,095,933	311,659	1,407,592
Operation and maintenance of plant	322,252	(322,252)			
Institutional support	360,300	55,595	254,638	161,257	415,895
Auxiliary enterprise	184,638	129,401	113,576	200,463	314,039
Depreciation expense	329,390	(329,390)			
Interest expense	58,039	(58,039)			
Total operating expenses	5,477,975		3,608,975	1,869,000	5,477,975
Net periodic benefit cost other than service cost	(16,085)		(16,085)		(16,085)
Total expenses	$ 5,461,890		$ 3,592,890	$ 1,869,000	$ 5,461,890

	2021				
			Natural Classification post Allocation		
	Expenses per Statement of Activities	Allocation	Compensation and Benefits	Other	Final Allocated Expenses
Instruction and educational administration	$ 1,905,340	$ 300,419	$ 1,557,511	$ 648,248	$ 2,205,759
Research	734,211	105,443	447,742	391,912	839,654
Patient care expense	1,246,626	87,219	1,025,328	308,517	1,333,845
Operation and maintenance of plant	312,826	(312,827)			
Institutional support	345,088	51,824	254,055	142,857	396,912
Auxiliary enterprise	147,938	120,219	101,430	166,726	268,156
Depreciation expense	290,839	(290,839)			
Interest expense	61,458	(61,458)			
Total operating expenses	5,044,326		3,386,066	1,658,260	5,044,326
Net periodic benefit cost other than service cost	(7,489)		(7,489)		(7,489)
Total expenses	$ 5,036,837		$ 3,378,577	$ 1,658,260	$ 5,036,837

The allocation of operation and maintenance of plant is based on square footage occupancy. Depreciation expense includes depreciation of buildings, 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. Interest expense is allocated according to the same methodologies used for building depreciation.

22. Subsequent Events

The University has performed an evaluation of subsequent events through October 12, 2022, which is the date the consolidated financial statements were issued. In October 2022, the University renewed a $200 million operating line of credit which now expires in October 2025.