The Trustees of Columbia University in the City of New York

Consolidated Financial Statements
June 30, 2023 and 2022

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, 2023 and 2022, and the related consolidated statements of activities for the year ended June 30, 2023 and of cash flows for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, the changes in its net assets for the year ended June 30, 2023, and its cash flows for the years ended June 30, 2023 and 2022 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2022, 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 12, 2022, 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, 2022 and for the year then ended is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the Columbia University Financial Overview For The Year 2022-2023, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

New York, New York
October 17, 2023

The Trustees of Columbia University in the City of New York
Consolidated Statements of Financial Position
At June 30, 2023 and 2022
(in thousands of dollars)

	June 2023	June 2022
Assets		
Cash and cash equivalents	$518,647	$714,875
Accounts receivable, net	704,258	637,954
Securities held in trust by others	25,908	111
Pledges receivable, net	584,838	581,246
Investments, at fair value	14,748,716	14,275,431
Institutional real estate	1,137,198	1,077,445
Land, buildings, and equipment, net	4,913,273	5,000,150
Right of use, lease assets	268,267	280,807
Other assets	693,783	662,986
Total assets	**$23,594,888**	**$23,231,005**
Liabilities		
Accounts payable and accrued expenses	$448,334	$431,268
Deferred revenue and other prepayments	392,098	412,843
Finance lease obligations	133,650	136,087
Right of use, lease obligations	279,423	290,718
Conditional asset retirement obligations	134,790	130,398
Accrued employee benefit liabilities	490,463	451,827
Federal student loan funds	28,930	43,749
Bonds and notes payable (including bond premium and issuance costs of $280,836 and $246,980) (see Note 15)	2,403,847	2,316,548
Other long-term liabilities	565,533	584,336
Total liabilities	**4,877,068**	**4,797,774**
Net assets		
Without donor restrictions	8,383,806	8,303,326
With donor restrictions	10,334,014	10,129,905
Total net assets	**18,717,820**	**18,433,231**
Total liabilities and net assets	**$23,594,888**	**$23,231,005**

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, 2023, with Summarized Comparative 2022 Totals
(in thousands of dollars)

	Without Donor Restrictions	With Donor Restrictions	June 2023	June 2022
Operating activities				
Revenues and support				
Tuition and fees (net of $556,728 and $524,636 in financial aid grants, respectively)	$1,487,356		$1,487,356	$1,467,249
Government grants and contracts	1,227,651		1,227,651	1,212,635
Private gifts, grants and contracts	356,603	205,140	561,743	573,158
Revenue from other educational and research activities	248,069		248,069	216,546
Patient care revenue	1,659,969		1,659,969	1,511,543
Investment income and gains utilized	504,913	268,597	773,510	643,777
Sales and services of auxiliary enterprises	237,478		237,478	202,146
Net assets released from restrictions	402,894	(402,894)		
Total operating revenues and support	**6,124,933**	**70,843**	**6,195,776**	**5,827,054**
Expenses				
Instruction and educational administration	2,287,931		2,287,931	2,093,132
Research	883,165		883,165	812,624
Patient care expense	1,440,772		1,440,772	1,317,600
Operation and maintenance of plant	351,777		351,777	322,252
Institutional support	337,618		337,618	360,300
Auxiliary enterprises	216,410		216,410	184,638
Depreciation	331,843		331,843	329,390
Interest	67,183		67,183	58,039
Total expenses	**5,916,699**		**5,916,699**	**5,477,975**
Change in net assets from operating activities	**208,234**	**70,843**	**279,077**	**349,079**
Nonoperating activities				
Endowment gifts		172,683	172,683	171,090
Current year realized and unrealized capital gains (losses)	215,581	378,149	593,730	(1,051,971)
Endowment appreciation utilized	(216,952)	(462,009)	(678,961)	(599,639)
Change in net assets held by CPMC Fund, Inc.		265	265	(7,362)
Change in funds held by others in perpetuity		11,642	11,642	(33,830)
Present value adjustment to split-interest agreements	515	14,009	14,524	(40,218)
Net periodic benefit cost other than service cost	14,469		14,469	16,085
Changes in pension and postretirement obligations	12,041		12,041	(3,348)
Other	(134,881)		(134,881)	7,435
Reclassification	(18,527)	18,527		
Change in net assets from nonoperating activities	**(127,754)**	**133,266**	**5,512**	**(1,541,758)**
Change in net assets	**80,480**	**204,109**	**284,589**	**(1,192,679)**
Net assets at beginning of year	**8,303,326**	**10,129,905**	**18,433,231**	**19,625,910**
Net assets at end of year	**$8,383,806**	**$10,334,014**	**$18,717,820**	**$18,433,231**

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, 2023 and 2022
(in thousands of dollars)

	June 2023	June 2022
Cash flows from operating activities		
(Includes adjustments to reconcile change in net assets to net cash provided by operating activities):		
Change in net assets	$284,589	($1,192,679)
Depreciation expense	331,843	329,390
Institutional real estate depreciation	35,436	31,143
Change in right of use leases and interest on finance lease obligations and conditional asset retirement obligations	13,973	17,877
Realized and unrealized (gains) losses	(497,730)	1,104,588
Partnership distributions from endowment	476,204	809,895
Contributions restricted for permanent investment, plant, and split-interest agreements	(236,855)	(246,076)
Contributions other than cash	(369)	(1,083)
Present value adjustments and actuarial liability for split-interest agreements	(14,524)	40,218
Accreted interest on bonds	363	408
Change in unamortized bond premium and issuance costs	(21,806)	(25,900)
Change in fair value of net assets held by CPMC Fund, Inc.	(265)	7,362
Change in fair value of interest in perpetual trusts held by others	(11,642)	33,830
Change in operating assets and liabilities:		
Accounts receivable, net	(66,304)	(50,266)
Pledges receivable, net	(3,592)	41,607
Other assets	(36,070)	6,198
Accounts payable and accrued expenses	30,778	41,259
Deferred revenue and other prepayments	(20,745)	11,920
Accrued employee benefit liabilities	38,636	(37,012)
Conditional asset retirement obligations and other long-term liabilities	(3,101)	(11,651)
Net cash provided by operating activities	**298,819**	**911,028**
Cash flows from investing activities		
Proceeds from sales of investments	3,304,572	3,489,217
Purchases of investments	(3,895,822)	(3,966,980)
Collections from student notes	19,036	9,715
Student notes issued	(4,746)	(3,353)
Investment in cash and securities held in trust by others	(25,797)	(85)
Purchases of institutional real estate	(95,189)	(127,239)
Purchases of plant and equipment	(252,447)	(377,281)
Net cash used by investing activities	**(950,393)**	**(976,006)**
Cash flows from financing activities		
Proceeds from contributions for:		
Investment in endowment	185,312	184,585
Investment in plant	48,808	57,159
Investment in split-interest agreements	2,735	4,332
Investment income on split-interest agreements	3,736	3,270
Payments on split-interest agreements	(5,957)	(6,018)
Payments on finance lease obligations	(14,074)	(16,796)
Repayment of taxable commercial paper	(99,865)	
Proceeds from taxable commercial paper issuance		25
Repayment of bonds and notes payable	(122,055)	(146,855)
Proceeds from bond and note issuance	330,662	
Net change in federal student loan funds	(14,819)	(10,597)
Net cash provided by financing activities	**314,483**	**69,105**
Net change in cash and cash equivalents	(337,091)	4,127
Cash and cash equivalents at beginning of year	858,432	854,305
Cash and cash equivalents at end of year	**$521,341**	**$858,432**
Supplemental disclosures of cash flow information:		
Cash and cash equivalents as shown in the Statements of Financial Position	$518,647	$714,875
Cash included in Investments, at fair value (see Note 5)	2,694	143,557
Total cash and cash equivalents as shown on the Consolidated Statements of Cash Flows	**$521,341**	**$858,432**
Change in accounts payable for land, buildings, and equipment	$13,712	$37,315
Equipment and space acquired through finance lease obligations	$5,862	$2,537
Right of use, lease assets acquired through new right of use lease obligations	$16,348	$1,962
Cash paid during the year for interest	$83,802	$92,540
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, recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code, 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 36,649 full-time and part-time students.

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. CUIMC’s revenues are comprised primarily of faculty patient care services, sponsored research, tuition, endowment income, patent royalties, and gifts. The majority of CUIMC’s full-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.

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.

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.

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
Student related income includes Tuition and fees revenue derived from degree programs as well as executive and continuing education programs and room and board revenue derived from the provision of such related services to students; these revenues are recorded in "Tuition and fees" and "Sales and services of auxiliary enterprises", respectively. Gross revenue is based on published rates and is recorded net of explicit price concessions such as financial aid grants which are applied to tuition and fees. Revenue is recognized in the period in which the University satisfies its performance obligations to its students. 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, 2023, 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 $3.4 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. Amounts totaled $323.0 million and $307.6 million in fiscal years 2023 and 2022, respectively, and are included in Government Grants and Contracts.

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

The University recognizes "Pantient care revenue" when then performance obligations under contracts are satisfied. Revenue related to the unsatisfied obligations will be deferred into the following fiscal year. The University determines transaction price based on gross charges for services provided, reduced by explicit price concessions, which are reflected as an allowance for doubtful accounts. Allowance for doubtful accounts is determined based on its historical collection experience with these classes of patients using a portfolio approach, as well as current and future conditions that may further impact collectability.

- Medical faculty practice and Dental Clinic revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. These revenues are $1,007.6 million and $944.4 million for the years ended June 30, 2023 and 2022, respectively, derived mainly from third-party payers, including commercial insurance and managed care companies (58 percent), Medicare (16 percent), Medicaid (14 percent), direct patient payment (11 percent), and other (1 percent). As of June 30, 2023 and 2022, patient accounts receivable amounts to $104.9 million and $115.2 million, respectively.

- The University's affiliation agreements with area hospitals generated $508.6 million and $446.4 million of revenue for the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, "Accounts receivable, net" includes $171.7 million and $127.2 million, respectively, relating to these agreements.

- Medical service agreements generated $47.0 million and $41.5 million of revenue for the years ended June 30, 2023 and 2022, respectively, and other patient care activities generated $96.8 million and $79.2 million of revenue for the years ended June 30, 2023 and 2022, respectively.

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" 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, 2023 and 2022. 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, 2023 and 2022. 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 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 the consolidated statements of 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 statements 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 statements 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.

2022 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, 2022. Further, certain prior year information has been reclassified to conform to current year presentation.

New Authoritative Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. The ASU improves financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. This ASU is effective for fiscal years beginning after December 15, 2022. The University is evaluating the impact of the new standard on the University's consolidated financial statements.

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.

(in thousands of dollars, unless otherwise noted)

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

	2023	2022
With Donor Restrictions		
Endowment funds	$ 9,139,628	$ 8,962,550
Unexpended capital and other [(a)]	483,223	474,197
Pledges receivable	584,838	581,246
Annuity and life income funds	126,325	111,912
Total, Net Assets With Donor Restrictions	10,334,014	10,129,905
Without Donor Restrictions		
Board designated endowment	4,503,039	4,317,296
Undesignated	3,880,767	3,986,030
Total, Net Assets Without Donor Restrictions	8,383,806	8,303,326
Total Net Assets	$ 18,717,820	$ 18,433,231

[(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 unique or one time in nature, and reclassifications.

5. 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 assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other significant market-based inputs that are observable, either directly or indirectly.

Fair value for Level 3 is based on valuation techniques that use significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment.

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, 2023 and June 30, 2022.

	2023				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Investments:					
Cash and short-term investments	$ 731,973	$ 266,142			$ 998,115
Global equities	928,414	283	$ 633	$ 2,765,704	3,695,034
Fixed income	293,761	220,901			514,662
Absolute return strategies				3,939,168	3,939,168
Private equity	11,153		170,759	3,384,362	3,566,274
Real assets	1,669		8,086	1,882,736	1,892,491
Subtotal, Investments	1,966,970	487,326	179,478	11,971,970	14,605,744
Receivables for securities sold					150,876
Liabilities for securities purchased					(7,904)
Investments, at fair value					$ 14,748,716

	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Other assets:					
Interest in perpetual trusts held by others			$ 199,317		$ 199,317

	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

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.

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.

The fair value of the alternative investment funds in the table above represents the amount the University would expect to receive at June 30, 2023 and 2022, 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, 2023 and 2022. 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.

(in thousands of dollars, unless otherwise noted)

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.

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.

	Notional Exposure		Gross		Net	Collateral
Derivative Instruments	Long	Short	Asset	Liability	Fair Value	Posted
June 30, 2023						
Equity	$ 9,425		$ 293		$ 293	$ 2,320
Currency*						
June 30, 2022						
Equity	$ 625,646			$ (5,620)	$ (5,620)	$ 109,854
Currency*			1,903	(736)	1,167	

*The University held currency derivative contracts with an aggregate notional amount of $0 million and $52.6 million as of June 30, 2023 and 2022, respectively.

Outside of the endowment portfolio, the University entered into a fixed payer interest rate swap as described in Note 15. The estimated fair value of the agreement is reported as a liability of $31.8 million and $45.9 million at June 30, 2023 and 2022, 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, 2023 and 2022.

	June 30, 2022	Transfers In/Out	Purchases	Sales	Realized gain/loss	Unrealized gain/loss	June 30, 2023
Global equities	$ 658					$ (25)	$ 633
Fixed income							
Private equity	151,870	(1,419)	15,338	(2,386)		7,356	170,759
Real assets	10,241			(768)		(1,387)	8,086
Total level 3 investments	$ 162,769	$ (1,419)	$ 15,338	$ (3,154)		$ 5,944	$ 179,478

	June 30, 2022	Transfers In/Out	Disburse-ments	Realized/ Unrealized gain/loss, net	June 30, 2023
Interest in perpetual trusts held by others	$ 187,676		$ (7,957)	$ 19,598	$ 199,317

	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

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, 2023 and 2022. 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, 2023 and 2022. There were no transfers between NAV and Level 2 for the years ended June 30, 2023 and 2022.

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, 2023, the University had unfunded commitments of approximately $2.2 billion as follows:

Asset class ($ in millions)	Remaining life of fund	Unfunded commitments	Timing to draw commitments
Global equities	N/A		1 to 8 years
Absolute return strategies	N/A	$ 54	1 to 5 years
Private equity	1 to 12 years	1,622	1 to 12 years
Real assets	1 to 12 years	552	1 to 12 years
Total		$ 2,228	

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 $679.0 million and $599.6 million during 2023 and 2022, 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.

6. Endowment Funds

The University's endowment consists of approximately 6,300 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, 2023 and 2022, are as follows:

	2023		
Changes in University endowment net assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Opening balance - June 30, 2022	$ 4,317,296	$ 8,962,550	$ 13,279,846
Investment return	210,930	409,543	620,473
New gifts	1,559	193,933	195,492
Appropriation for expenditure	(255,300)	(472,582)	(727,882)
Other changes:			
Transfers	238,162	36,576	274,738
Other / Reclassifications	(9,608)	9,608	
	228,554	46,184	274,738
Closing balance - June 30, 2023	$ 4,503,039	$ 9,139,628	$ 13,642,667
University endowment composition			
Donor-restricted endowment funds:			
Restricted in perpetuity		$ 4,262,998	$ 4,262,998
Appreciation		4,198,364	4,198,364
Board designated endowment:			
Departmental funds	$ 1,974,561	467,169	2,441,730
University funds	1,617,469		1,617,469
Institutional real estate, net	911,009		911,009
CPMC Fund, Inc.		11,780	11,780
Interests in perpetual trusts held by others		199,317	199,317
University's endowment value	$ 4,503,039	$ 9,139,628	$ 13,642,667

Note: The tables above do not include split-interest agreements, net of $132,568 and pledges receivable, net of $259,791.

Reconciliation to Investments, at fair value		
Investments, at fair value		$ 14,748,716
Add:		
Interests in perpetual trusts held by others	199,317	
CPMC Fund, Inc.	11,780	
Institutional real estate, net	911,009	
Other receivables and payables	11,962	1,134,068
Subtract:		
Other long-term investments	(1,960,247)	
Split-interest agreements	(192,033)	
Funds held on behalf of others	(87,837)	(2,240,117)
University's endowment value		$ 13,642,667

(in thousands of dollars, unless otherwise noted)

	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

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 the years ended June 30, 2023 and 2022 the additional payout rate was 0.55 percent and 0.65 percent, respectively. The additional payout component is reviewed by the Trustees regularly and has currently been extended through the end of fiscal year 2024.

(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, 2023, deficits totaling $10.8 million existed in funds which combined had an original gift value of $257.9 million and a current market value of $247.1 million. 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. The deficits resulted from market fluctuations that occurred after the investment of recent contributions and authorized appropriation from an endowment that was deemed prudent.

7. Accounts Receivable

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

	2023	2022
Patient receivables, net of contractual allowances	$ 156,435	$ 175,160
Government agencies	121,949	131,832
New York-Presbyterian Hospital	189,534	140,567
Patent and licensing	9,107	7,649
Student receivables	100,110	88,174
Investment income receivable	6,122	3,951
Other receivables	198,262	174,253
	781,519	721,586
Less: Allowance for doubtful accounts	(77,261)	(83,632)
Accounts receivable, net	$ 704,258	$ 637,954

Patient receivables for medical services are net of an allowance for contractual reserves in the amount of $308.5 million and $345.4 million at June 30, 2023 and 2022, respectively.

8. 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:

	2023	2022
Government revolving loans	$ 23,732	$ 37,046
Institutional loans	22,118	23,340
Gross student loans	45,850	60,386
Less: Allowance for doubtful collections	(2,276)	(2,444)
Student loans receivable, net	$ 43,574	$ 57,942

(in thousands of dollars, unless otherwise noted)

Government revolving loan programs include the Federal Perkins Loan Program and certain other programs. The total loans outstanding totaled $12.4 million and $27.2 million under the Federal Perkins Loan Program and $11.3 million and $9.9 million under the other programs as of June 30, 2023, and 2022, respectively. 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.

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.

Government revolving loans are funded principally with federal advances to the University, which are classified as liabilities on the consolidated statements of financial position. Balances advanced totaled $16.6 million and $32.1 million under the Federal Perkins Loan Program, and $12.4 million and $11.7 million under the other programs as of June 30, 2023 and 2022, 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.

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 $320.2 million and $322.1 million for the years ended June 30, 2023 and 2022, 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.

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

	2023	2022
Undergraduate	$ 244,497	$ 222,551
Graduate	312,231	302,085
Total financial aid grants	$ 556,728	$ 524,636

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 $13.6 million and $12.5 million in years ended June 30, 2023 and 2022, respectively.

(in thousands of dollars, unless otherwise noted)

9. 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 "Pledges Receivable, net" in the consolidated statements of financial position.

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

	2023	2022
Less than one year	$ 184,480	$ 204,267
One to five years	345,862	339,810
More than five years	205,760	151,774
Total unconditional promises	736,102	695,851
Less: Allowance for doubtful contributions	(40,721)	(35,628)
Less: Net present value discount	(110,543)	(78,977)
Net pledges receivable	$ 584,838	$ 581,246

New pledges recorded in the years ended June 30, 2023 and 2022, were discounted at an average annual rate of 4.60 percent and 3.47 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:

	2023	2022
Endowment for educational and general purposes	$ 259,791	$ 272,420
New construction and modernization of plant	107,771	136,520
Support of University operations	217,276	172,306
Net pledges receivable	$ 584,838	$ 581,246

The University also has other outstanding pledges of $105.6 million as of June 30, 2023. 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.

(in thousands of dollars, unless otherwise noted)

10. Land, Buildings, and Equipment

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

	2023			2022		
	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	$ 536,855		$ 536,855	$ 523,294		$ 523,294
Building and building improvements	8,022,987	(4,042,214)	3,980,773	7,853,721	(3,765,403)	4,088,318
Construction in progress	174,598		174,598	159,996		159,996
Equipment	744,451	(523,404)	221,047	745,719	(517,177)	228,542
Total	$ 9,478,891	$ (4,565,618)	$ 4,913,273	$ 9,282,730	$ (4,282,580)	$ 5,000,150

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, 2023 and 2022, was $71.6 million and $74.6 million, respectively.

11. 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, 2023 and 2022, the actuarially computed liabilities on the University's consolidated statements of financial position are $58.5 million and $59.3 million, respectively and included in "Accrued employee benefit liabilities" in the consolidated statements of financial position.

(in thousands of dollars, unless otherwise noted)

12. Pension and Other Postretirement Benefit Costs

Pension Plan Benefits

The University has two non-contributory pension plans (the "pension plans") for supporting staff employees. Both pension plans include defined benefits for past and future service, and are subject to collective bargaining agreements.

During 2022, the University had two additional non-contributory pension plans which were terminated in December 2021; these plans provided defined benefits for service prior to January 1 and July 1, 1976, respectively. For these two pension plans, future benefits are provided by defined contribution plans.

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 $195.3 million and $178.0 million for the years ended June 30, 2023 and 2022, 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	
	2023	2022	2023	2022
Net actuarial (gain) / loss	$ 17,115	$ 21,109	$ (72,657)	$ (66,802)
Prior service cost		52	(2,140)	
Total amount recognized	$ 17,115	$ 21,161	$ (74,797)	$ (66,802)

(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	
	2023	2022	2023	2022
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 212,764	$ 277,208	$ 116,626	$ 147,211
Service cost	7,500	10,840	4,917	7,267
Interest cost	10,823	8,830	5,636	4,575
Plan participants' contributions			4,014	6,166
Actuarial gain	(9,732)	(65,195)	(10,630)	(35,429)
Federal subsidy			124	462
Plan Amendments			(2,581)	
Plan termination		(9,654)		
Net disbursements and transfers	(9,386)	(9,265)	(11,151)	(13,626)
Benefit obligation, end of year	211,969	212,764	106,955	116,626
Change in plan assets:				
Fair value of assets, beginning of year	196,198	245,598	221,624	260,243
Actual return on plan assets	6,592	(43,168)	13,051	(31,159)
Employer contributions	11,496	12,687		
Plan participants' contributions			4,014	6,166
Plan termination		(9,654)		
Net disbursements and transfers	(9,386)	(9,265)	(11,151)	(13,626)
Fair value of assets, end of year	204,900	196,198	227,538	221,624
Net amount recognized	$ (7,069)	$ (16,566)	$ 120,583	$ 104,998

Weighted-average assumptions used to determine end of year benefit obligation	2023	2022
Discount rate	5.40%	4.95%
Rate of compensation increase	3.00%	3.00%

For pension plans, actuarial gains for the year ended June 30, 2023 were the result of an increase in the discount rate, offset by lower than assumed asset returns. 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.

For postretirement plans, actuarial gains for the year ended June 30, 2023 resulted from an increase in the discount rate, plan design amendment, lower than expected participation, and offset by increasing per capita claims trend rates. 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.

The accumulated benefit obligations for the two underfunded pension plans at June 30, 2023 and 2022, were $195.9 and $196.4 million, respectively.

(in thousands of dollars, unless otherwise noted)

At June 30, 2023 and 2022, 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	2023	2022
Projected benefit obligation	$ 211,969	$ 212,764
Fair value of plan assets	204,900	196,198

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	2023	2022
Accumulated postretirement benefit obligation	$ 106,955	$ 116,626
Fair value of plan assets	227,538	221,624

The University is currently pursuing enhancements to the postretirement health care benefits for certain employees and retirees. Subsequent to June 30, 2023 and before the issuance of these statements, the University announced the first enhancement in the form of an increase in subsidies provided to certain employees and retirees effective January 1, 2024. This 2024 increase is not included in the valuation of the plan as of June 30, 2023 and is expected to increase the plan's benefit obligation. The increase is not material to the University's financial statements.

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 2024. The rate was assumed to decrease gradually to 4.75 percent for year ended June 30, 2031 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, 2023 and 2022, and the target allocation for 2024, by asset category, follows:

	Target allocation	Percentage of plan assets at year end	
	2024	2023	2022
Asset category			
U.S. large cap equity and global equity funds	11%	8%	17%
International equities (non-U.S.)	17%	23%	21%
High yield fixed income securities	7%	7%	10%
U.S. core fixed income	65%	62%	52%
	100%	100%	100%

The investments of the pension plans at June 30, 2023 and 2022, were $204.9 million and $196.2 million, respectively. 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.

(in thousands of dollars, unless otherwise noted)

The asset allocation for the other postretirement benefit plan at June 30, 2023 and 2022, and the target allocation for 2024, by asset category, follows:

	Target allocation	Percentage of plan assets at year's end	
	2024	2023	2022
Asset category			
U.S. large cap equity and global equity funds	36%	36%	38%
International equities (non-U.S.)	14%	14%	30%
U.S. fixed income	50%	50%	32%
	100%	100%	100%

The investments of the other postretirement benefit plan at June 30, 2023 and 2022, were $227.5 million and $221.6 million, respectively. 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.

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	
	2023	2022	2023	2022
Components of net periodic benefit cost				
Service cost	$ 7,500	$ 10,840	$ 4,917	$ 7,267
Interest cost on projected benefit obligation	10,823	8,830	5,636	4,575
Expected return on assets	(12,330)	(12,160)	(13,695)	(16,098)
Amortization of prior service cost	52	65	(441)	
Settlement loss		6,636		
Amortization of unrecognized net losses/(gain)		3,999	(4,514)	(5,296)
Net periodic benefit cost	$ 6,045	$ 18,210	$ (8,097)	$ (9,552)

(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	
	2023	2022	2023	2022
Summary of changes in plan assets and benefit obligations recognized in the Consolidated Statements of Activities				
Net periodic benefit cost - service cost	$ 7,500	$ 10,840	$ 4,917	$ 7,267
Total recognized in operating	7,500	10,840	4,917	7,267
Net periodic benefit cost other than service cost	(1,455)	7,370	(13,014)	(16,819)
Current year actuarial (gain)/loss	(3,994)	(9,868)	(10,369)	11,984
Amortization of actuarial gain/(loss)		(3,999)	4,514	5,296
Settlement cost		(6,636)		
Current year prior service cost/(credit)			(2,581)	
Amortization of prior service cost	(52)	(65)	441	
Total recognized in nonoperating	(5,501)	(13,198)	(21,009)	461
Total recognized in operating and nonoperating	$ 1,999	$ (2,358)	$ (16,092)	$ 7,728

Weighted-average assumptions used to determine net periodic pension cost	2023	2022
Discount rate	4.95%	2.25% to 3.10%
Expected return on plan assets	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		
2024	$ 6,045	
Expected benefit payments		
2024	$ 9,705	$ 5,123
2025	10,231	5,315
2026	10,742	5,497
2027	11,320	5,794
2028	11,856	6,050
2029-2033	68,344	34,671
Total	$ 122,198	$ 62,450

Total benefits expected to be paid include 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 $0.1 million in fiscal year 2023.

(in thousands of dollars, unless otherwise noted)

13. 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, 2023 and 2022, were $133.7 million and $136.1 million, respectively. Right of use lease obligations at June 30, 2023 and 2022 were $279.4 million and $290.7 million, respectively.

Rental expense related to operating leases totaled $38.0 million and $38.5 million for fiscal years ended 2023 and 2022, respectively. Future minimum rental payments under right of use and finance leases are as follows:

	Right of use	Finance
Future minimum rental payments:		
2024	$ 37,487	$ 10,920
2025	36,413	9,837
2026	32,500	8,456
2027	31,226	6,992
2028	28,239	6,837
Thereafter	177,414	210,131
Total lease payments	343,279	253,173
Less: Imputed Interest	(63,856)	(119,523)
Present value of lease obligations at June 30, 2023	$ 279,423	$ 133,650

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

	2023	2022
Weighted average remaining lease term (in years)		
Right of use leases	6.6	7.2
Finance leases	16.6	17.1
Weighted average discount rate		
Right of use leases	3.57%	3.54%
Finance leases	4.48%	4.41%

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

	2023	2022
Operating cash flows for right of use leases	$39,459	$39,125
Operating cash flows for finance leases	$5,775	$9,294
Financing cash flows for finance leases	($14,074)	($16,796)

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" in the consolidated statements of financial positions.

14. 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 $134.8 million and $130.4 million at June 30, 2023 and 2022, respectively.

(in thousands of dollars, unless otherwise noted)

15. Bonds and Notes Payable

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

	2023	2022
Dormitory Authority of the State of New York, tax exempt revenue bonds, Columbia University issues:		
Series 2023 A, 2.59% to 2.68%, maturing FY2033 to FY2035	$ 275,000	
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, 1.35% to 2.04%, maturing FY2024 to FY2032	93,550	105,885
Series 2015 A, 1.95% to 3.00%, maturing FY2026 to FY2046	92,535	92,535
Series 2015 B, 1.78% to 1.88%, maturing FY2024 to FY2025	9,210	15,525
Series 2012 A, 1.92%, maturing FY2023		52,005
Series 2009 A, variable rate, 3.40%, maturing FY2039	117,000	117,000
Series 2003 B, variable rate, 3.75%, maturing FY2024 to FY2028	30,000	30,000
Series 2002 C, variable rates, 1.15% to 3.38%, maturing FY2025 to FY2027	23,300	23,300
Taxable Series 2021 A, 2.85%, maturing FY2051	125,000	125,000
Taxable Series 2021 B, 2.45%, 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	50,000	100,000
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, 3.15%, maturing FY2028	2,745	3,245
Empire State Development Corporation issues:		
9.00%, maturing FY2029	3,823	4,360
Taxable Commercial Paper, variable rate, 1.30% to 5.20%	25,188	125,053
Subtotal, principal payments	2,123,011	2,069,568
Unamortized bond premium	285,028	250,833
Unamortized cost of issuance	(4,192)	(3,853)
Subtotal, bond premium and cost of issuance	280,836	246,980
Total bonds and notes payable	$ 2,403,847	$ 2,316,548

(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
2024	$ 101,395
2025	64,987
2026	71,625
2027	84,227
2028	52,101
Thereafter (through 2051)	1,723,488
Subtotal, Bonds and Notes Payable	$ 2,097,823
Taxable Commercial Paper	25,188
Total, Principal Payments	$ 2,123,011

The University issues most of its tax-exempt debt through the Dormitory Authority of the State of New York ("DASNY"). On June 7, 2023, the University issued $275 million of Series 2023A, tax-exempt fixed rate bonds. Series 2023A was issued at a premium of $56.8 million which will be amortized over nine to eleven years based on the maturity of underlying bonds. The proceeds from Series 2023A were used to finance various construction and renovation projects and to refund $125 million of taxable commercial paper.

The University has a $150 million taxable commercial paper program. There was $25 million and $125 million of commercial paper outstanding under this program as of June 30, 2023 and 2022, respectively.

The University recorded amortization of bond premium and issuance costs, net, of $22.6 million and $26.1 million for the years ended June 30, 2023 and 2022, respectively, as a reduction to interest expense.

As of June 30, 2023, the University had the following operating lines of credit: $100 million expiring in April 2026; $200 million expiring in October 2025; $150 million expiring in May 2025; $100 million expiring in November 2023. Additionally, the University had two $100 million standby lines of credit supporting self-liquidity for variable rate debt outstanding, expiring in January 2028 and January 2025. The lines are provided by five different lending institutions, and as of June 30, 2023, no balances were outstanding on the lines of credit. In September 2023, the University renewed the $100 million operating line of credit, originally set to expire in November 2023, through November 2026.

The University has administrative covenants on its tax-exempt debt and lines of credit, with which it was in compliance as of June 30, 2023 and 2022.

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 $31.8 million and $45.9 million at June 30, 2023 and 2022, 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 $70.5 million and $70.6 million at June 30, 2023 and 2022, 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.

16. 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 $384.0 million and $374.7 million as of June 30, 2023 and 2022, respectively; amounts are reported in both "Other long-term liabilities" and "Accrued employee benefit liabilities" in the consolidated statements of financial position. The medical malpractice liabilities of approximately $233.0 million and $221.8 million as of June 30, 2023 and 2022, respectively, are reported gross with an offsetting receivable for anticipated recoveries of $159.8 million and $153.3 million, respectively, recorded in "Other assets" in the consolidated statements of financial position.

17. 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 2023 funds flow was approximately $437.2 million. The payments to NYP for goods and services were $115.7 million and $106.6 million for the years ended Jun 30, 2023 and 2022, respectively. The majority of revenues received pursuant to this agreement are reflected in the consolidated statements of activities 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 $42.5 million and $40.6 million for the years ended June 30, 2023 and 2022, respectively. In addition, the University recorded an interest in CDNYPI in the amount of $29.2 million and $20.7 million as of June 30, 2023 and 2022, 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. There were no transfers during the year ended June 30, 2023. 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.

(in thousands of dollars, unless otherwise noted)

18. 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:

	2023	2022
Financial Assets:		
Cash and cash equivalents	$ 518,647	$ 714,875
Accounts receivable, net	651,570	593,353
Pledges receivable for operations and plant, net	100,072	106,031
Operating investments	1,779,499	1,533,215
Approved endowment payout for subsequent year	644,360	629,050
Other financial assets	40,220	17,786
Total financial assets available within one year	3,734,368	3,594,310
Liquidity resources:		
Taxable commercial paper program	150,000	150,000
Less: Taxable commercial paper issued	(25,188)	(125,053)
Bank lines of credit (undrawn)	750,000	750,000
Total liquidity resources available	874,812	774,947
Total financial assets and liquidity resources available within one year	$ 4,609,180	$ 4,369,257

Additionally, the University has board-designated funds functioning as endowments of $4.1 billion and $4.0 billion as of June 30, 2023 and 2022, respectively. Although the University does not intend to spend from these endowments beyond the amounts appropriated for general expenditure as part of its annual appropriation process, $3.6 billion and $3.5 billion, respectively, is without donor restrictions and could be made available if necessary as of June 30, 2023 and 2022. 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 5 for disclosures about investments).

19. 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 legal matters, including malpractice claims, should not have a material adverse effect on the University's operations or financial condition.

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 14 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 $43.8 million. As of June 30, 2023, approximately $43.8 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 probable and estimable have been recorded as liabilities.

(in thousands of dollars, unless otherwise noted)

20. 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, 2023 and 2022 are as follows:

2023

	Expenses per Statement of Activities	Allocation	Natural Classification post Allocation: Compensation and Benefits	Natural Classification post Allocation: Other	Natural Classification post Allocation: Final Allocated Expenses
Instruction and educational administration	$ 2,287,931	$ 342,033	$ 1,822,554	$ 807,410	$ 2,629,964
Research	883,165	126,213	531,808	477,570	1,009,378
Patient care expense	1,440,772	91,092	1,213,502	318,362	1,531,864
Operation and maintenance of plant	351,777	(351,777)			
Institutional support	337,618	56,032	226,482	167,168	393,650
Auxiliary enterprise	216,410	135,433	128,454	223,389	351,843
Depreciation expense	331,843	(331,843)			
Interest expense	67,183	(67,183)			
Total operating expenses	5,916,699		3,922,800	1,993,899	5,916,699
Net periodic benefit cost other than service cost	(14,469)		(14,469)		(14,469)
Total expenses	$ 5,902,230		$ 3,908,331	$ 1,993,899	$ 5,902,230

2022

	Expenses per Statement of Activities	Allocation	Natural Classification post Allocation: Compensation and Benefits	Natural Classification post Allocation: Other	Natural Classification post Allocation: 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

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.

21. Subsequent Events

The University has performed an evaluation of subsequent events through October 17, 2023, which is the date the consolidated financial statements were issued.