NYU Langone Medical Center

(A Component of New York University)
Combined Financial Statements
August 31, 2009

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Other Financial Information

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Report of Independent Auditors

Board of Trustees
NYU Langone Medical Center (a component of New York University):

In our opinion, based on our audit and the report of other auditors, the accompanying combined balance sheet and the related combined statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of NYU Langone Medical Center (a component of New York University) (the "Medical Center") at August 31, 2009, and the results of their operations, and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Medical Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of CCC550, a wholly-owned subsidiary of the Medical Center, which statements' reflect total assets of $231.0 million as of August 31, 2009 and total revenues of $51.3 million for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for CCC550 is based solely on the report of other auditors. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit Includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining supplemental information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual columns. Accordingly, we do not express an opinion on the financial position or results of operations of the individual organizations. However, the combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 7, 2009

NYU Langone Medical Center
(A Component of New York University)
Combined Balance Sheets
August 31, 2009 and 2008

(in Thousands)

	2009	2008 (Unaudited)
Assets		
Current assets		
Cash and cash equivalents	$ 300,594	$ 259,037
Marketable securities	129,706	212,349
Assets limited as to use	10,174	20,350
Patient accounts receivable, less allowances for uncollectibles (2009 - $58,242, 2008 - $45,431 (unaudited))	210,298	177,179
Contributions receivable - current	104,320	64,002
Other accounts receivables	29,723	25,348
Insurance receivables – billed	33,091	22,927
Inventories	19,297	20,968
Other current assets	52,305	67,884
Total current assets	889,508	870,044
Marketable securities	685,126	787,128
Assets limited as to use	238,947	234,146
Contributions receivable - long term	106,066	200,157
Other assets	63,554	38,645
Deferred financing costs	13,053	14,281
Property, plant and equipment – net	946,384	850,956
Total assets	$ 2,942,638	$ 2,995,357
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	$ 24,227	$ 28,776
Accounts payable and accrued expenses	193,094	228,929
Accrued salaries and related liabilities	72,737	77,283
Accrued interest payable	2,625	9,211
Deferred revenue	43,184	42,973
Due to related organizations, net	53,321	13,624
Other current liabilities	39,127	55,418
Total current liabilities	428,315	456,214
Long-term debt, less current portion	704,040	714,803
Outstanding losses and loss adjustment expenses	162,289	141,807
Accrued pension liabilities	98,713	52,527
Accrued postretirement liabilities	106,728	93,232
Due to related organizations, net	11,000	22,000
Other liabilities	154,441	78,101
Total liabilities	1,665,526	1,558,684
Net assets		
Unrestricted	739,624	905,743
Temporarily restricted	298,613	297,553
Permanently restricted	238,875	233,377
Total net assets	1,277,112	1,436,673
Total liabilities and net assets	$ 2,942,638	$ 2,995,357

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

NYU Langone Medical Center
(A Component of New York University)
Combined Statements of Operations
Years Ended August 31, 2009 and 2008

(in Thousands)

	2009	2008 (Unaudited)
Operating revenue		
Net patient service revenue	$ 1,604,900	$ 1,407,523
Hospital Affiliations	209,124	196,685
Grants and sponsored programs	203,122	199,519
Tuition	32,401	30,187
Premiums earned	25,756	28,524
Contributions	46,245	67,066
Endowment distribution and return on short-term investments	7,565	31,092
Other revenue	101,647	116,027
Net assets released from restrictions for operating purposes	33,163	71,409
Total operating revenue	2,263,923	2,148,032
Operating expenses		
Salaries and wages	1,071,087	1,001,182
Employee benefits	276,677	261,354
Supplies and other	736,154	710,317
Depreciation and amortization	86,067	81,643
Interest	39,038	42,110
Patient care bad debt expense	31,510	36,580
Total operating expenses	2,240,533	2,133,186
Gain from operations	23,390	14,846
Other items		
Loss on refinancing of debt	(4,245)	-
(Loss) gain on disposals of property, plant and equipment	(4,911)	655
Investment return less endowment distribution, net	(112,681)	(45,901)
Other	-	(318)
Deficiency of revenue over expenses	(98,447)	(30,718)
Other changes in unrestricted net assets		
Changes in pension and postretirement obligations	(78,129)	9,642
Contributions for capital asset acquisitions	700	-
Net assets released from restrictions for capital purposes	9,757	9,368
Net decrease in unrestricted net assets	$ (166,119)	$ (11,708)

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

NYU Langone Medical Center
(A Component of New York University)
Combined Statements of Changes in Net Assets
Years Ended August 31, 2009 and 2008

(in Thousands)

	Year Ended August 31, 2009				Year Ended August 31, 2008 (Unaudited)			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at beginning of year	$ 905,743	$ 297,553	$ 233,377	$ 1,436,673	$ 917,451	$ 227,822	$ 217,561	$ 1,362,834
Deficiency of revenue over expenses	(98,447)	-	-	(98,447)	(30,718)	-	-	(30,718)
Net assets released from restrictions for operations	-	(33,163)	-	(33,163)	-	(71,409)	-	(71,409)
Net assets released from restrictions for capital purposes	9,757	(9,757)	-	-	9,368	(9,368)	-	-
Contributions for capital assets acquisitions	700	-	-	700	-	-	-	-
Change in pension and postretirement plans	(78,129)	-	-	(78,129)	9,642	-	-	9,642
Gifts, bequests and other items	-	43,980	5,498	49,478	-	150,508	15,816	166,324
Total changes in net assets	(166,119)	1,060	5,498	(159,561)	(11,708)	69,731	15,816	73,839
Net assets at end of year	$ 739,624	$ 298,613	$ 238,875	$ 1,277,112	$ 905,743	$ 297,553	$ 233,377	$ 1,436,673

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

NYU Langone Medical Center
(A Component of New York University)
Combined Statements of Cash Flows
Year Ended August 31, 2009 and 2008

(in Thousands)

	2009	2008 (Unaudited)
Cash flows from operating activities		
Changes in net assets	$ (159,561)	$ 73,839
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	86,067	81,643
Gain/(loss) on disposals of property, plant and equipment	4,911	(655)
Patient care bad debt expense	31,510	36,580
Loss on refinancing of debt	4,245	-
Contributions restricted for permanent investment and capital	(26,996)	(27,935)
Contributed assets	(21,312)	(3,247)
Net unrealized and realized (gains) and losses on investments	112,471	27,686
Post-retirement benefit adjustment	7,897	(17,794)
Pension benefit adjustment	70,232	8,152
Changes in operating assets and liabilities		
Patient accounts receivable	(64,629)	(45,293)
Contributions receivable	75,085	(71,958)
Accounts payable and accrued expenses	21,197	55,167
Accrued salaries and related liabilities	(4,546)	11,309
Royalty pass-through liability	(58,229)	58,229
Accrued interest payable	(6,586)	3,022
Due to New York University	28,697	(29,211)
Operating losses and loss adjustment expenses	20,482	37,094
Other operating liabilities	39,232	22,666
Other operating assets	(26,749)	(15,712)
Net cash provided by operating activities	133,418	203,582
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(176,544)	(123,662)
Changes in investments, net	72,174	95,828
Changes in assets limited as to use	5,375	(77,782)
Net cash used in investing activities	(98,995)	(105,616)
Cash flows from financing activities		
Contributions restricted for permanent investment and capital	26,996	27,935
Proceeds from issuance of long-term debt	-	94,150
Proceeds from borrowing on lines of credit	149,582	
Principal payments on long-term debt	(169,444)	(57,592)
Payments of deferred financing costs	-	(2,361)
Net cash provided by financing activities	7,134	62,132
Net increase in cash and cash equivalents	41,557	160,098
Cash and cash equivalents		
Beginning of year	259,037	98,939
End of year	$ 300,594	$ 259,037
Supplemental information		
Cash paid for interest	$ 38,152	$ 37,874

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

1. Organization and Summary of Significant Accounting Policies

Organization

NYU Langone Medical Center (the "Medical Center"), a component of New York University, includes the accounts of NYU Hospitals Center ("Hospitals Center"), the NYU School of Medicine ("NYUSoM"), CCC550 Insurance, Inc. ("CCC550"), The J & M Vilcek Foundation (the "Foundation"), NYU Imaging, Inc. ("Imaging"), NYU Columbus Medical PC ("Columbus"), New York University Medical Center Foundation, Inc. ("NYUMCF") and the 34th Street Cancer Center, Inc. ("34th Street").

The Hospitals Center is a Section 501(c)(3) organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and from New York State and City income taxes. It operates Tisch Hospital, a 705-bed acute care facility and a major center for specialized procedures in cardiovascular services, neurosurgery, cancer treatment, reconstructive surgery and transplantation, the Rusk Institute of Rehabilitation Medicine, a 174-bed unit, has earned worldwide recognition for its leadership in the treatment of the physically challenged, and NYU Hospital for Joint Diseases ("HJD"), a 190-bed acute care facility specializing in orthopaedic services.

NYUSoM, an administrative unit of New York University ("the University"), represents one of the nation's premier centers of excellence in medical research, medical education and physician patient care, and encompasses a medical school, a research institute, a faculty practice group, and related auxiliary activities.

The J & M Vilcek Foundation (the "Foundation") is a chartitable trust whose principal activity is the solicitation, receipt, holding, investment and administration of contributions on behalf of the NYUSoM. NYUSoM is the majority voting member. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NYU Columbus Medical PC ("Columbus") is a professional service organization controlled by NYUSoM. The purpose of Columbus is to engage in the practice of physician patient care. Columbus is located in New York and is subject to both Federal and State income taxes under the Internal Revenue Code.

NYUSoM also has a wholly owned subsidiary, NYU Imaging Inc. ("Imaging"). The purpose of Imaging is to support the educational objectives of the NYUSoM and to engage in the practice of the profession of medicine. Imaging is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NYUMCF is a New York not-for-profit membership corporation formed to carry out fund-raising activities for the NYUSoM and the Hospitals Center. The University is its sole member and appoints the Foundation's Board of Trustees.

34th Street is a New York not-for-profit corporation whose purpose is to promote and support the diagnosis and treatment of cancer. In April, 2008 the Hospitals Center became the sole member, with the University retaining approval rights over certain matters.

CCC550 was incorporated as a segregated cell company and is subject to taxation in accordance with Section 29 of the Exempt Insurance Act of Barbados, 1983.

On October 4, 2006, upon the issuance of the Series 2006A and Series 2006B bonds, the Hospitals Center withdrew from Mount Sinai NYU Health (the "HSO") (see Note 6). The Hospitals Center remained a subsidiary of the HSO until October 23, 2007, when the University became the sole corporate member of the Hospitals Center. The University has not assumed any responsibility or liability for the financial obligations of the Hospitals Center. By resolution of the University's Board, the University reappointed members of the Hospitals Center's Board and named the same individuals as members of a newly created New York University School of Medicine Advisory Board.

Basis of Presentation and Principles of Combination

The combining information and supplemental data relating to the NYU Langone Medical Center included on pages 34 and 35 have been prepared on an accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. The accompanying combining financial statements include the accounts of the Hospitals Center, NYUSoM, CCC550, the Foundation, Imaging and Columbus. Accordingly, transactions between these entities have been eliminated in combination.

Related Organizations

Transactions among the related organizations in the accompanying combined financial statements relate principally to the sharing of certain services, facilities, equipment and personnel and are accounted for on the basis of allocated cost, as agreed among the parties. Except for specific amounts discussed in Note 11, amounts due from or to related organizations do not bear interest. Additionally, the Medical Center and the University have established guidelines for reimbursement, on a fee-for-service basis, for services provided.

Cash and Cash Equivalents

The Medical Center considers highly liquid financial instruments purchased with a maturity of three months or less, excluding those held in its investment portfolio and assets limited as to use, to be cash equivalents. The Medical Center maintains its deposits with high credit quality financial institutions. The Medical Center has balances in these financial institutions that exceed federal depository insurance limits. Management does not believe the credit risk related to these deposits to be significant.

Investments

A portion of the Hospitals Center's investments and the entire NYUSoM investment portfolio is in a pooled investment portfolio maintained by the University. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, based on quoted market prices. The fair value of alternative investments in the pooled investment portfolio is based on values reported by the respective external investment managers, and consists of primarily readily marketable securities but may be less liquid than other investments. Certain securities underlying the alternative instruments are not readily marketable. Although the estimated value is subject to uncertainty and may differ from the value that would have been used had a ready market for the securities existed, management believes that any such difference would not have a material effect on the Medical Center's combined balance sheet. In addition, a limited number of the investment vehicles included in the alternative instruments have liquidity restrictions which may defer redemption of the investment for a short period of time. The amount of gain or loss associated with these alternative instruments is reflected in the accompanying combining financial statements using the equity method of accounting. Investments in certain private capital funds are recorded at fair value as of the date of the last portfolio appraisal. The funds are then adjusted for capital contributions and redemptions made between the valuation date and year end.

The Medical Center's investment portfolio is classified as trading, with unrealized gains and losses included in deficiency of revenue over expenses.

Gains, losses and investment income are included in the combining statement of operations unless their use is temporarily or permanently restricted by donor stipulations.

Purchase and sales of securities are recorded on a trade-date basis.

Inventories
The Medical Center's inventories are carried at the lower of cost or market using the FIFO (first-in, first-out) method. Inventories are used in the provision of patient care and generally are not held for sale.

Assets Limited as to Use
Assets limited as to use primarily represent assets held by trustees under long-term debt agreements, self-insurance trust agreements and assets represented by cash and investments held by CCC550. The assets limited as to use (not held by CCC550) are comprised of U.S. Government obligations for which cost approximates fair value, and investments held by CCC550, which include cash, hedge, fixed income, and equity units of CCC Investment Trust (CCCIT), are reported at fair value.

Deferred Financing Costs
Deferred financing costs represent costs incurred to obtain long-term financing. Amortization of these costs is provided using the effective interest method over the term of the applicable indebtedness. See Note 6 for additional information relative to debt related matters.

Property, Plant and Equipment
Property, plant and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at appraised or fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation and amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations. Annual provisions for depreciation are made based primarily upon the straight-line method over the estimated useful lives of the assets.

Land improvement	20 years
Building and building improvement	40 years
Fixed and moveable equipment	3 - 15 years

Equipment under capital leases is recorded at present value at the inception of the leases and is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. The amortization of assets recorded under capital leases is included in depreciation and amortization expense in the accompanying combining statement of operations. When assets are retired or otherwise disposed of, the cost and the related depreciation are reversed from the accounts, and any gain or loss is reflected in current operations. Repairs and maintenance expenditures are expensed as incurred.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity.

The Medical Center prepares its combined financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations* (SFAS No. 117). SFAS No. 117 focuses on the entity as a whole and requires classification of net assets as unrestricted, temporarily restricted, or permanently restricted, as determined by the existence or absence of restrictions placed on the assets' use by donors or by provision of law. A description of the net assets classifications follows:

Permanently Restricted net assets include gifts, pledges, trusts, and gains explicitly required by donors to be retained in perpetuity, while allowing the use of the investment return for general or specific purpose, in accordance with donor provisions.

Temporarily Restricted net assets include gifts, pledges, trusts, and gains that can be expended, but the donor restrictions have not yet been met. Contributions receivable that do not carry a purpose restriction are deemed to be time restricted. Temporary restrictions are removed either through the passage of time or because certain actions are taken by the Medical Center that fulfill the restrictions.

Unrestricted net assets are the remaining net assets of the Medical Center that are used to carry out its mission and are not subject to donor restrictions.

Contributions

Contributions, including unconditional promises to give cash and other assets (pledges), are reported at fair value on the date received. Contributions receivable are reported at their discounted present value and an allowance for amounts estimated to be uncollectible is provided. Conditional promises to give are not recognized as revenue until they become unconditional, that is when the conditions on which they depend are substantially met.

The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reflected in temporarily restricted net assets and net assets released from restrictions in the accompanying combining financial statements.

Uncompensated Care

As a matter of policy, the Medical Center provides significant amounts of partially or totally uncompensated patient care. For accounting purposes, such uncompensated care is treated either as charity care or bad debt expense.

Charity Care: The Medical Center’s charity care policy, in accordance with the New York State Department of Health’s guidelines, ensures the provision of quality health care to the community served while carefully considering the ability of the patient to pay. The policy has sliding fee schedules for inpatient, ambulatory and emergency services provided to the uninsured and under-insured patients that qualify. Patients are eligible for the charity care fee schedule if they meet certain income and liquid asset tests. For accounting and disclosure purposes, charity care is considered to be the difference between the Hospitals Center’s customary charges and the sliding charity care fee schedule rates. Since payment of this difference is not sought, charity care allowances are not reported as revenue. Total charity care for all patient services approximated $9.4 million based on charges forgone for the year ended August 31, 2009.

Bad Debt Expense: Patients who do not qualify for sliding scale fees and all uninsured inpatients who do not qualify for Medicaid assistance are billed at the Hospitals Center's full rates. Uncollected balances for these patients are categorized as bad debts. Similarly, at NYUSoM, those balances which are deemed uncollectible based on an inability or unwillingness to pay are written off. Uncollected balances for these patients are categorized as bad debts and totaled $31.5 million for the year ended August 31, 2009.

Performance Indicator

The combined statements of operations includes deficiency of revenue over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets), and changes in pension and postretirement obligations.

The Medical Center differentiates its operating activities through the use of gain (loss) from operations as an intermediate measure of operations. For the purposes of display, items which management does not consider to be components of the Medical Center's operating activities are excluded from the gain from operations and reported as other items in the statements of operations. These include loss on refinancing of debt, gains/losses on disposals of property, plant and equipment, and investment return (realized and unrealized net gains or losses on investments, interest and dividends) in excess of (or less than) the Medical Center's approved endowment distribution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients and the valuation of alternative investments, and liabilities, including estimated settlements with third party payors, malpractice insurance liabilities, pension and postretirement benefit liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Income Taxes

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainties in income taxes recognized and prescribes a recognition threshold and measurement approach for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 became effective for the Medical Center on January 1, 2007. There was no significant effect on the Medical Center's combining financial statements as a result of the adoption of FIN 48.

Recent Accounting Pronouncements

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements.* The statement defines fair value, outlines a framework for measuring fair value and details the required disclosures about fair value measurements. The Medical Center adopted the provisions of

Statement No. 157 as of September 1, 2008 for its financial assets and liabilities. Statement No. 157 requires disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending upon the observability of the inputs employed in the measurement. Level 1 assets consist of common stock, mutual funds, treasury notes and bills and cash and cash equivalents. Level 2 investments consist of corporate bonds issued by various corporations, government and agency backed bonds, institutional mutual funds and certificates of deposit. These investments were valued by the investment portfolio managers utilizing their portfolio system, which relies on one of the largest pricing services and is used by many mutual funds. The Medical Center reviews the results of these valuations in assessing its fair values of investments. Level 3 investments consist of the Medical Center's share of investments in the investment pools of the University and Combined Coordinating Council Investment Trust ("CCCIT"). The adoption of Statement No. 157 did not have a material impact on the financial results. Refer to the table below for additional disclosure.

The table below reports Fair Value Measurements at August 31, 2009.

(in thousands)	Fair Value at August 31, 2009	Based on Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets and Liabilities Measured at Fair Value on a Recurring Basis				
Marketable securities	$ 814,832	$ 125,566	$ -	$ 689,266
Assets limited as to use	249,121	81,782	24,178	143,161
Total	$ 1,063,953	$ 207,348	$ 24,178	$ 832,427

The following table provides a rollforward of the fair value of Level 3 assets for the year ended August 31, 2009:

(in thousands)	
Fair value, August 31, 2008	$ 922,151
Additions during the year	257,316
Disposals during the year	(234,229)
Adjustments to record reduction in estimated fair value	(112,811)
Fair value, August 31, 2009	$ 832,427

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. Statement No. 159 permits companies to choose to measure certain financial instruments and other items at fair value that currently are not required to be measured at fair value under accounting principles generally accepted in the United States. Statement No. 159 is effective for fiscal years beginning after November 15, 2007. The adoption of this standard did not have a significant impact on the financial position, results of operations or cash flows of the Medical Center.

In August 2008, FASB Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds" (the FSP), was issued, and its guidance is effective for fiscal years ending after December 15, 2008. A key component of the FSP is a requirement to classify the portion of donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. Although New York State has not yet enacted UPMIFA, the Medical Center adopted the disclosure requirements of the FSP as of August 31, 2009. (see Note 13).

2. Net Patient Service Revenue, Accounts Receivable and Allowance for Uncollectible Accounts

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates (i.e., gross charges). Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

Billings related to services rendered are recorded as net patient service revenue in the period in which the service is performed, net of contractual and other allowances that represent differences between gross charges and the estimated receipts under such programs. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient accounts receivable are also reduced for allowances for uncollectible accounts. The net negative adjustment included within the combined statement of operations relating to prior year estimates was approximately $7.9 million for the year ended August 31, 2009.

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. The Medical Center has implemented a monthly standardized approach to estimate and review the collectibility of receivables based on the payer classification and the period from which the receivables have been outstanding. Past due balances over 90 days from the date of billing and over a specified amount are considered delinquent and are reviewed for collectibility. Account balances are written off against the allowance when management feels it is probable the receivable will not be recovered. Historical collection and payer reimbursement experience is an integral part of the estimation process related to reserves for doubtful accounts. In addition, the Medical Center assesses the current state of its billing functions in order to identify any known collection or reimbursement issues and assess the impact, if any, on reserve estimates. The Medical Center believes that the collectibility of its receivables is directly linked to the quality of its billing processes, most notably those related to obtaining the correct information in order to bill effectively for the services it provides. Revisions in reserve for doubtful accounts estimates are recorded as an adjustment to bad debt expense.

A summary of the payment arrangements with major third-party payers follows:

- *Medicare:* Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient acute cases are assigned to diagnosis related groups (DRGs) according to the patient's clinical diagnosis and severity of illness. Inpatient rehabilitation cases are grouped into case-mix groups (CMGs). Outpatients are assigned to ambulatory payment classification groups (APCs). The Centers for Medicare and Medicaid Services (CMS) issue annual updates to payment rates and patient classification groups.

- *Non-Medicare Payments:* The New York Health Care Reform Act of 1996, as updated, governs payments to hospitals in New York State. Under this system, hospitals and all non-Medicare payers, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospital's payment rates. If negotiated rates are not established, payers are billed at hospitals established charges. Medicaid, workers' compensation and no-fault payers pay hospital rates promulgated by the New York State Department of Health on a prospective basis. Adjustments to current and prior years' rates for these payers will continue to be made in the future. Effective July 1, 2008 and January 1, 2009, the New York State Department of Health (DOH) updated the data utilized to calculate the NYS DRG service intensity weights (SIWs) in order to utilize more current data in DOH promulgated rates.

There are also various other proposals at the Federal and State level that could, among other things, reduce payment rates. The ultimate outcome of these proposals, regulatory changes, and other market conditions cannot presently be determined.

The Medical Center has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior year's payment rates, based on industry-wide and hospital-specific data. Net amounts due to third party payors at August 31, 2009 are $24.3 million. Additionally, certain payers' payment rates for various years have been appealed by the Medical Center. If the appeals are successful, additional income applicable to those years will be realized.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Hospitals Center's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through December 31, 2001.

On February 19, 2004, the Secretary of Health and Human Services confirmed that hospitals can provide discounts for uninsured patients, which allowed the Medical Center to implement a discount policy in accordance with state law. The Medical Center's goal was to create a financial aid program that is consistent with the mission, values, and capacity of the Medical Center, while considering an individual's ability to contribute to his or her care.

The Medical Center has implemented a discount policy and provides discounts to additional uninsured patients. Under this policy, the discount offered to uninsured patients is reflected as a reduction to net patient service revenue at the time the uninsured billings are recorded.

Federal and state law requires that hospitals provide emergency services regardless of a patient's ability to pay. Uninsured patients seen in the emergency department, including patients subsequently admitted for inpatient services, often do not provide information necessary to allow the Medical Center to qualify such patients for charity care. Uncollectible amounts due from such uninsured patients represent the substantial portion of the provision for bad debts reflected in the accompanying combining statement of operations.

(in thousands)	2009 NYUHC	2009 NYUSoM	2009 NYULMC	(Unaudited) 2008 NYULMC
Charity care, foregone charges	$ 9,450	$ -	$ 9,450	$ 8,672
Uncompensated care reported as provision for bad debts, net	26,490	5,020	31,510	36,580
Total uncompensated care provided	$ 35,940	$ 5,020	$ 40,960	$ 45,252

The Hospitals Center grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer arrangements. The mix of receivables (net of contractual allowances and advances from certain third-parties) from patients and third-party payers at August 31, 2009 is as follows:

	2009 NYUHC	(Unaudited) 2008 NYUHC
Medicare	13 %	13 %
Medicaid	6 %	5 %
Blue Cross	16 %	20 %
Managed care and other	65 %	62 %
	100 %	100 %

3. Marketable Securities and Assets Limited as to Use

The following table summarizes the composition of marketable securities, including those held by the University, at August 31 (in thousands):

	2009 NYUHC	2009 NYUSoM	2009 NYULMC	(Unaudited) 2008 NYULMC
Cash and cash equivalents	$ -	$ 20	$ 20	$ 5,439
U.S. Government agency obligations	-	125,546	125,546	135,675
Corporate and other debt obligations and other	-	-	-	40,788
Equity securities	-	-	-	10,872
University investment pool	20,449	668,817	689,266	806,703
	20,449	794,383	814,832	999,477
Less current portion	(4,140)	(125,566)	(129,706)	(212,349)
Long-term portion	$ 16,309	$ 668,817	$ 685,126	$ 787,128

The investments held in the University investment pool are comprised of the following:

	2009 NYULMC	(Unaudited) 2008 NYULMC
Equity securities	22 %	37 %
Fixed income securities	38 %	23 %
Alternative investments	40 %	40 %
Total	100 %	100 %

The Medical Center maintains an investment pool for its long-term investments which include its endowment and similar funds. The pool is managed to achieve the maximum prudent long-term return. The University's Board of Trustees has authorized a policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of total return at approved spending rates (5% in 2009 and 2008). The rate is applied to the twelve-quarter moving average fair value of the investment pool. This amount, along with interest and dividends earned on short-term investments, is reported as operating revenues in the consolidated statement of operations. Investment return in excess of or less than the University's approved endowment distribution is reported as other items in the consolidated statement of operations.

Investment return consisted of the following for the years ended August 31, 2009 and 2008 (in thousands):

	2009			(Unaudited) 2008
	NYUHC	NYUSoM	NYULMC	NYULMC
Dividends and interest	$ 3,940	$ 2,796	$ 6,736	$ 28,370
Realized and unrealized losses, net	(24,485)	(87,986)	(112,471)	(40,589)
Investment expenses	(38)	(1,072)	(1,110)	(1,392)
Total investment return, net	$ (20,583)	$ (86,262)	$ (106,845)	$ (13,611)
Endowment distribution approved for spending	$ (12,569)	$ 20,134	$ 7,565	$ 31,092
Temporarily restricted investment return, net	-	(1,729)	(1,729)	1,198
Investment return less than endowment distribution	(8,014)	(104,667)	(112,681)	(45,901)
Total investment return, net	$ (20,583)	$ (86,262)	$ (106,845)	$ (13,611)

Assets limited as to use consist of the following at August 31 (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Assets held under long-term debt agreements (see Note 6)				
Construction funds	$ 55,013	$ 3,733	$ 58,746	$ 89,666
Debt service funds	6,589	-	6,589	13,910
Debt service reserve funds	40,520	-	40,520	33,963
Capitalized interest funds	106	-	106	1,508
Assets held by CCC550 (see Note 7)				
Cash	32,127	-	32,127	3,722
Bond fund	188	-	188	33,388
Fixed income securities	108,768	-	108,768	-
Equity Fund	-	-	-	43,976
Self-insurance trust assets	-	-	-	1,317
Hedge fund	2,077	-	2,077	33,046
	245,388	3,733	249,121	254,496
Less current portion	(6,441)	(3,733)	(10,174)	(20,350)
Long-term portion	$ 238,947	$ -	$ 238,947	$ 234,146

4. Contributions Receivable

Unconditional promises to give are recorded when the gift intent is made known in writing. A receivable has been established and net assets have been increased by the time-discounted value of the promises. Irrevocable trusts are recorded at the point of notification and are recorded as temporarily or permanently restricted net assets as determined by the trust instruments. Estates are estimated and recorded at the conclusion of probate.

The Medical Center is aware of numerous unconditional promises to give and estimates the year of receipt to the extent possible. Contributions receivable are recorded within the accompanying combined balance sheet and are recorded net of an allowance for uncollectible pledges of $36.4 million and $31.7 million (unaudited) at August 31, 2009 and August 31, 2008, respectively. The anticipated present value of the receivable is as follows (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Amounts to be collected in				
Less than one year	$ 43,147	$ 61,173	$ 104,320	$ 64,002
One to five years	111,266	31,510	142,776	230,819
More than five years	4,859	21,153	26,012	28,136
	159,272	113,836	273,108	322,957
Discount to present value	(12,020)	(14,285)	(26,305)	(27,088)
Allowance for uncollectible amounts	(15,855)	(20,562)	(36,417)	(31,710)
Contributions receivable, net	$ 131,397	$ 78,989	$ 210,386	$ 264,159

Conditional promises to give, not included in these financial statements, were $304.4 million and $250.0 million (unaudited) at August 31, 2009 and 2008, respectively.

Expenses related to fundraising activities were $9.4 million and $7.3 million (unaudited) for the years ended August 31, 2009 and 2008, respectively.

5. Property, Plant and Equipment

A summary of property, plant and equipment is as follows at August 31 (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Land and improvements	$ 39,025	$ 1,500	$ 40,525	$ 40,525
Buildings and improvements	538,608	630,127	1,168,735	1,157,271
Fixed and movable equipment	470,841	204,031	674,872	687,021
	1,048,474	835,658	1,884,132	1,884,817
Less accumulated depreciation	659,707	478,006	1,137,713	1,168,592
	388,767	357,652	746,419	716,225
Capital projects in progress	172,171	27,794	199,965	134,731
	$ 560,938	$ 385,446	$ 946,384	$ 850,956

Depreciation expense for the year ended August 31, 2009 and 2008 was $80.4 million and $81.6 million (unaudited), respectively.

The Medical Center capitalizes costs incurred in connection with the development of internal use software or purchased software modified for internal use. In 2009, approximately $22.4 million was capitalized.

Substantially all property, plant and equipment has been pledged as collateral under various debt agreements.

6. Long-Term Debt

A summary of long-term debt is as follows at August 31 (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Series 2000D [(a)]	$ 48,300	$ -	$ 48,300	$ 49,700
Series 2001A [(b)]	-	4,557	4,557	5,228
Series 2001 (Series 1) [(c)]	-	54,000	54,000	54,000
Series 2001 (Series 2) [(c)]	-	54,207	54,207	54,207
Series 2003A [(d)]	3,660	3,503	7,163	11,943
Series 2006A [(e)]	94,590	-	94,590	94,590
Series 2006B [(e)]	16,290	-	16,290	21,120
Series 2007A [(f)]	159,335	-	159,335	162,390
Series 2007B [(g)]	92,645	-	92,645	94,150
Accounts receivable financing [(h)]	21,800	-	21,800	21,800
Pension loan [(i)]	18,500	-	18,500	25,000
Student Loan Marketing Term Loans [(j)]	-	-	-	141,513
Lines of credit [(j)]	-	149,583	149,583	-
Various Others	-	20	20	119
	455,120	265,870	720,990	735,760
Add premium	6,569	3,695	10,264	10,964
Less discount	(2,987)	-	(2,987)	(3,145)
Less current portion	(21,017)	(3,210)	(24,227)	(28,776)
	$ 437,685	$ 266,355	$ 704,040	$ 714,803

Interest expense on long-term debt totaled $39.0 million and $42.1 million (unaudited) for the years ended August 31, 2009 and 2008, respectively. This excludes $1.0 million of capitalized interest (net of income earned on assets limited as to use) for the years ended August 31, 2009 and 2008, which is included in property, plant and equipment, net.

The carrying values and fair values of the Medical Center's long term debt as of August 31, 2009 are as follows (in thousands):

	2009						(Unaudited) 2008	
	NYUHC		NYUSoM		NYULMC		NYULMC	
	Carrying Values	Fair Values	Carrying Values	Fair Values	Carrying Values	Fair Values	Carrying Values	Fair Values
Long-term debt	458,702	343,653	269,565	283,295	728,267	626,948	743,579	714,036

(a) In 2000, the Mount Sinai NYU Health Obligated Group Revenue Bonds, Series 2000 (Series 2000) were issued through the Dormitory Authority of the State of New York (DASNY) to raise capital to refinance and/or refund certain outstanding long-term debt of the Obligated Group's members and to make available additional capital. The Obligated Group consisted of the Hospitals Center (including HJD separately at that time) and MSH. The Series 2000 bonds allocated to the Hospitals Center were payable at varying dates through July 2026, at variable rates and fixed interest rates ranging from 5.3% to 6.8%.

In April 2004, the Hospitals Center arranged for a bank syndicate to acquire all of its Series 2000D bonds thereby removing the Series 2000D bonds from the 28-day auction mode for a period of five years. This arrangement was renewed on December 31, 2008 for a period of three years. Interest was reset at an interest rate of 30-day LIBOR plus 155 basis points (approximately 1.82% at August 31, 2009). Approximately $48.3 million of the Hospitals Center's obligation under Series 2000D is outstanding at August 31, 2009 ($49.7 million (unaudited) at August 31, 2008).

(b) NYUSoM has an agreement with the University whereby it will continue to make principal and interest payments on the Series 2001A bonds for which the University is the primary obligor, but for which the original funds were used to purchase property and equipment at the NYUSoM. NYUSoM's obligation includes annual principal repayments through July 2015. The bonds bear interest at rates ranging from 5.25% to 5.70%.

(c) NYUSoM has an agreement with the University whereby it will continue to make principal and interest payments on the Series 2001 (Series 1 and Series 2) bonds for which the University is the primary obligor, but for which the original funds were used to purchase property and equipment at the NYUSoM. NYUSoM's obligation includes annual principal repayments through July 2041. The bonds bear interest at rates ranging from 4.0% to 5.5%.

(d) The Hospitals Center and NYUSoM have an agreement with the University whereby it will continue to make principal and interest payments on the Series 2003A bonds for which the University is the primary obligor, but for which the original funds were used to purchase property and equipment at the Medical Center. The Medical Center's obligation includes annual principal repayments through July 2011. The bonds bear interest at rates ranging from 1.5% to 5.0%.

(e) In October 2006, the Hospitals Center issued through DASNY the Series 2006A revenue bonds totaling $94.6 million. Concurrently with the issuance of the Series 2006A bonds, DASNY issued $27.4 million in taxable revenue bonds (Series 2006B) on behalf of the Hospitals Center. These Series 2006A bonds are payable at varying dates through July 2026 at a fixed rate of 4.80%. The Series 2006B bonds have been privately placed with a commercial bank with a fixed interest rate of 6.09% maturing in July 2012.

The proceeds of the Series 2006A and Series 2006B bonds were used to advance refund the Hospitals Center's portion of the outstanding indebtedness on the Series 2000A bonds. As a result of this transaction, the Hospitals Center and MSH are no longer co-obligated on indebtedness. Accordingly, the Hospitals Center withdrew from the Obligated Group on October 4, 2006 (see Note 1).

(f) In February 2007, the Hospitals Center issued through DASNY, Series 2007A revenue bonds totaling $165.3 million. The Series 2007A bonds are payable at varying dates through July 2036 at a fixed rate of 5.0%. The proceeds of the series 2007A bonds were used primarily to refund the outstanding Series 2000B bonds and finance the acquisition of the 34th Street Cancer Center facility.

(g) In December 2007, the Hospitals Center issued through DASNY, Series 2007B revenue bonds totaling $95.5 million. The Series 2007B bonds are payable at varying dates through 2037 at a fixed rate of 5.6%. The proceeds of the Series 2007B bonds were used to finance certain capital expenditures of the Hospitals Center.

(h) During 2003, the Hospitals Center entered into an accounts receivable financing agreement. Under the terms of the agreement, the Hospitals Center received $17.0 million in cash and recorded a corresponding amount of long-term debt which is collateralized by accounts receivable. In 2004, the Hospitals Center refinanced this lending agreement with another bank for the same value, or $17.0 million. Additionally, in 2004, HJD entered into a similar accounts receivable lending agreement with a bank for $7.0 million. At August 31, 2009, the total amount outstanding was $21.8 million. Interest is payable monthly at the 30-day LIBOR plus 80 basis points (approximately 1.22% at August 31, 2009). The loans expire in June 2012.

(i) In January 2007, the Hospitals Center entered into a loan agreement with two commercial banks for $32.0 million. The proceeds were used to fund the Hospitals Center's defined benefit pension plan (see Note 8). Principal and interest are payable quarterly through December 31, 2011. Interest is payable at 30-day LIBOR plus 70 basis points (approximately 1.129% at August 31, 2009).

(j) In 2009, the University elected to extinguish the outstanding balance from the Student Loan Marketing Association term loans of which $141.5 million was allocated to NYUSoM. A drawdown from two of the University's lines of credit totaling $149.6 million was used for the NYUSoM portion of this debt payment. This payment includes an additional $4.2 million related to a prepayment penalty reported as non-operating in the Statement of Operations and $3.8 million related to accrued interest. The interest rate on the two lines of credit are based on the 30 day LIBOR plus 20 and 25 basis points, respectively (approximately 0.50% and 0.55%,respectively, at August 31, 2009).

In July 2009, the Hospitals Center entered into a loan agreement with a bank for an available line of credit totaling $50 million. The commitment on this line of credit expires July 30, 2010. Interest is payable on funds drawn on this line of credit at LIBOR plus 125 basis points. As of August 31, 2009, no amounts were outstanding on this line of credit. In October 2009, the Hospitals Center drew down $19 million from this line of credit to pay down the outstanding obligation on its pension loan (refer to (i)).

In August 2009, the Hospitals Center entered into a lease agreement with DASNY under its tax-exempt leasing program ("TELP"). The lease line, totaling $46 million will provide financing to the Hospitals Center for various capital equipment. As of August 31, 2009, no amounts were outstanding on this line.

In conjunction with the former and current debt agreements, various types of security agreements were executed. The agreements include pledging, as collateral, a security interest in the Medical Center's property, plant and equipment, gross receipts and limitations on the use of certain assets, including the transfer of assets to entities outside the Medical Center. Under the terms of the various agreements listed above, the Hospitals Center and NYUSoM (in combination with the University) are each required to maintain certain financial ratios. The Hospitals Center's most restrictive covenants are meeting minimum requirements for debt service coverage ratio and days cash on hand. NYUSoM's debt covenants are calculated in combination with the University. At August 31, 2009 and 2008, the Medical Center was in compliance with the financial ratio covenants.

Principal payments on long-term debt are as follows (in thousands):

	2009		
	NYUHC	**NYUSoM**	**NYULMC**
2010	$ 20,743	$ 2,941	$ 23,684
2011	21,007	3,536	24,543
2012	38,650	2,346	40,996
2013	11,700	2,477	14,177
2014	13,975	2,617	16,592
Thereafter	349,045	251,953	600,998
Total	$ 455,120	$ 265,870	$ 720,990

7. Professional Liabilities Insurance Program

As described in Note 1, the Hospitals Center is self insured for professional liability primarily through a wholly-owned segregated cell captive company, CCC550, created on April 20, 2005 pursuant to the Exempt Insurance Act of Barbados. Prior coverage for professional and general liability risks was provided through a multi-provider pooled insurance program that includes commercial coverage and a captive insurance program.

Self-insured loss reserves comprise estimates for known reported losses and loss expenses plus a provision for losses incurred but not reported. Losses are valued by an independent actuary and are based on the loss experience of the insured. In management's opinion, recorded reserves for self-insured exposures are adequate to cover the ultimate net cost of losses incurred to date, however, the provision is based on estimates and may ultimately be settled for a significantly greater or lesser amount.

CCC550 has cash and cash equivalents, and investments totalling $143.2 million and $115.4 million (unaudited) at August 31, 2009 and August 31, 2008, respectively, to fund related obligations. Also, within accounts payable and accrued expenses, the Hospitals Center has recorded obligations related to the multi-provider pooled program, obligations related to excess self insured exposures not covered by CCC550, and other self-insured risks. CCC550 has total obligations for insurance exposures of $162.3 million and $141.8 million (unaudited) as of August 31, 2009, and August 31, 2008, respectively. Including investment assets, CCC550 has total assets of $231.0 million and $180.3 million (unaudited) at August 31, 2009 and 2008. Including obligations for insurance exposures, CCC550 has total liabilities of $208.1 million and $179.2 million (unaudited) at August 31, 2009 and 2008.

CCC550 also provides insurance coverage to certain voluntary attending physicians servicing the School of Medicine and the Hospitals Center. The cost of this insurance coverage is the responsibility of such physicians.

8. Retirement Plans

Substantially all Medical Center employees are covered by retirement plans. These plans include various defined contribution plans and two Medical Center-sponsored defined benefit plans. The Medical Center contributes to its defined contribution plans based on rates required by union or other contractual arrangements. Expenses related to the Medical Center’s defined contribution plans were $40.6 million and $37.3 million (unaudited) for the years ended August 31, 2009 and 2008, respectively.

Contributions to defined benefit plans are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Contributions to the two defined benefit plans are made in amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 plus such additional amounts as the sponsors may deem appropriate, from time to time. Pension benefits under these plans are based on participants’ final average compensation levels and years of service. The measurement date for these defined benefit plans is August 31, 2009.

The Hospitals Center's plan was frozen as of July 1, 2000 and is no longer available to any new participants. NYUSoM's plan was frozen as of January 1, 2006, and is no longer available to any new participants. Participants of the plans as of these dates continue to accrue benefits.

The following table provides information with respect to these plans as of and for the years ended August 31, 2009 and 2008:

Plans' Funded Status (in thousands):

	2009			(Unaudited) 2008
	NYUHC	NYUSoM	NYULMC	NYULMC
Change in benefit obligation				
Benefit obligation at beginning year	$ 232,771	$ 131,250	$ 364,021	$ 380,309
Service cost	4,073	2,115	6,188	6,202
Interest cost	15,405	8,676	24,081	21,040
Actuarial (gain) or loss	11,991	8,713	20,704	(31,136)
Benefits paid	(6,181)	(4,675)	(10,856)	(11,348)
	258,059	146,079	404,138	365,067
Curtailment	-	-	-	(1,046)
Benefit obligation at end of year	258,059	146,079	404,138	364,021
Change in fair value of plan assets				
Fair value of plan assets at beginning of year	$ 197,077	$ 114,415	$ 311,492	$ 334,754
Actual return on plan assets	(13,524)	(6,249)	(19,773)	(18,546)
Employer contributions	16,011	8,551	24,562	6,634
Benefits paid	(6,181)	(4,675)	(10,856)	(11,348)
Fair value of plan assets at end of year	193,383	112,042	305,425	311,494
Funded status at end of year	$ (64,676)	$ (34,037)	$ (98,713)	$ (52,527)

Net Periodic Benefit Cost (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Components of net periodic benefit cost				
Service cost	$ 4,073	$ 2,115	$ 6,188	$ 6,204
Interest cost	15,405	8,676	24,081	21,039
Expected return on plan assets	(19,626)	(10,392)	(30,018)	(24,200)
Amortization of prior service cost	(60)	-	(60)	(40)
Amortization of actuarial loss	208	116	324	2,449
Net periodic benefit cost	$ -	$ 515	$ 515	$ 5,452
Other changes recognized in unrestricted net assets				
Actuarial net loss arising during period	$ 45,141	$ 25,355	$ 70,496	$ 10,561
Amortization of prior service cost	60	-	60	40
Amortization of actuarial loss	(208)	(116)	(324)	(2,449)
Total recognized in other changes in unrestricted net assets	$ 44,993	$ 25,239	$ 70,232	$ 8,152
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2010 and 2009				
Actuarial gain	$ 2,870	$ 1,490	$ 4,360	$ 320
Prior service cost	$ -	$ -	$ -	$ (60)
Amounts not reflected yet in periodic benefit cost and included in unrestricted net assets are as follows:				
Prior service credit	$ -	$ -	$ -	$ 60
Net loss	(94,138)	(50,658)	(144,796)	(74,623)
Total (decrease) in unrestricted net assets	(94,138)	(50,658)	(144,796)	(74,563)
Cumulative employer contributions in excess of net periodic benefit cost	29,462	16,621	46,083	22,036
Net amount recognized in the balance sheet	$ (64,676)	$ (34,037)	$ (98,713)	$ (52,527)

	2009		(Unaudited) 2008	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Weighted average assumptions used to determine net periodic benefit costs				
Discount rate	6.75 %	6.75 %	6.25 %	6.25 %
Rate of increase in compensation levels	4.00 %	4.00 %	4.00 %	4.00 %
Expected long term rate of return on assets	8.75 %	8.25 %	8.75 %	8.25 %

	2009		(Unaudited) 2008	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Weighted average assumptions as of August 31				
Discount rate	6.50 %	6.50 %	6.75 %	6.75 %
Rate of compensation increase	4.00 %	4.00 %	4.00 %	4.00 %

The accumulated benefit obligation for the pension plans were $379.8 million and $342.2 million (unaudited) at August 31, 2009 and 2008, respectively.

Plan Assets:

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet the Medical Center's current and future plan obligations. Asset allocations for the plans combine tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, weighting the asset class returns by the plans' investment in each class, and taking into account expected volatility and correlation between the returns of various asset classes. Medical Center management believes 8.25% - 8.75% and 8.25% - 8.75% is a reasonable long term rate of return on plan assets for 2009 and 2008 and will continue to evaluate the actuarial assumptions and adjust the assumptions as necessary.

The plans' asset allocations as of August 31, 2009 and 2008, by asset category are as follows:

	2009		(Unaudited) 2008	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Equity securities	0 %	0 %	19 %	60 %
Fixed income securities	40 %	38 %	17 %	35 %
Real estate	0 %	0 %	0 %	5 %
Other	60 %	62 %	64 %	0 %
	100 %	100 %	100 %	100 %

Contributions:

Annual contributions are determined by the Medical Center based upon calculations prepared by the Plans' actuaries. Expected contributions for the 2010 fiscal year are $18.7 million.

Benefit Payments:

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

	2009		
	NYUHC	**NYUSoM**	**NYULMC**
Year ending August 31			
2010	$ 12,018	$ 6,275	$ 18,293
2011	12,962	7,115	20,077
2012	14,363	7,843	22,206
2013	15,706	8,636	24,342
2014	16,777	9,297	26,074
Thereafter	98,130	57,231	155,361
	$ 169,956	$ 96,397	$ 266,353

9. Other Postretirement Benefits

The Medical Center provides certain health care and life insurance benefits for eligible retired employees. Medical Center employees may become eligible for these benefits if they reach the age and service requirements of the plan while working for the Medical Center. The costs related to these plans are accrued during the period the employees provide service to the Medical Center.

Information with respect to these plans as of and for the year ended August 31, 2009 and 2008 is as follows:

Plans' Funded Status (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Change in benefit obligation				
Benefit obligation at beginning of year	$ 44,726	$ 67,857	$ 112,583	$ 124,428
Service cost	2,232	3,471	5,703	6,568
Interest cost	2,963	4,488	7,451	7,413
Plan amendment	-	-	-	(4,193)
Actuarial (gain) loss	(1,257)	5,121	3,864	(17,127)
Participant contributions	885	1,183	2,068	1,664
Retiree drug subsidy receipts	161	324	485	455
Benefits paid	(1,742)	(4,039)	(5,781)	(6,625)
Benefit obligation at end of year	47,968	78,405	126,373	112,583
Change in fair value of plan assets				
Fair value of plan assets at beginning of year	-	19,351	19,351	18,631
Actual return on plan assets	-	294	294	720
Company contributions	696	2,532	3,228	4,506
Plan participants' contributions	885	1,183	2,068	1,664
Benefits paid	(1,581)	(3,715)	(5,296)	(6,170)
Fair value of plan assets at end of year	-	19,645	19,645	19,351
Funded status at end of year	$ (47,968)	$ (58,760)	$ (106,728)	$ (93,232)

	2009		(Unaudited) 2008	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Weighted average assumptions used to determine Net Periodic Benefit Cost				
Discount rate	6.75%	6.75%	6.00%	6.25%
Expected long term rate of return on plan assets	N/A	8.00%	N/A	8.25%

	2009		(Unaudited) 2008	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Weighted average assumptions as of August 31				
Discount rate	6.75%	6.75%	6.00%	6.75%
Expected long-term rate of return	N/A	8.00%	N/A	8.25%
Ultimate retiree health-care cost trend	5.00%	5.00%	5.00%	5.00%
Year ultimate trend rate is achieved	2016	2016	2016	2016

A plan amendment was made in 2008, whereby certain Hospital Center employees are no longer eligible to receive retiree health care and life insurance benefits. This change resulted in a curtailment gain of $1,333.

Net Periodic Benefit Cost (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Components of net periodic benefit cost				
Service cost	$ 2,232	$ 3,471	$ 5,703	$ 6,568
Interest cost	2,963	4,488	7,451	7,413
Expected return on plan assets	-	(1,597)	(1,597)	(1,538)
Amortization of transition cost	-	22	22	22
Amortization of plan service cost	(1,995)	(2,315)	(4,310)	(4,157)
Actuarial (gain)/loss	872	687	1,559	2,759
	4,072	4,756	8,828	11,067
Curtailment gain	-	-	-	(1,333)
Net periodic benefit cost	$ 4,072	$ 4,756	$ 8,828	$ 9,734
Other changes recognized in unrestricted net assets				
Amortization of actuarial net gain/(loss)	$ (872)	$ (687)	$ (1,559)	$ (2,207)
Actuarial net gain/(loss) arising during period	(1,257)	6,425	5,168	(18,817)
Amortization of prior service cost/(credit)	1,995	2,315	4,310	4,912
Prior service cost/(credit) arising during period	-	-	-	(4,193)
Amortization of transition obligation	-	(22)	(22)	(22)
Curtailment	-	-	-	1,333
Total recognized in other	$ (134)	$ 8,031	$ 7,897	$ (18,994)
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets				
Transition assets	$ -	$ 87	$ 87	$ 109
Prior service credit	(10,207)	(8,851)	(19,058)	(23,368)
Accumulated loss	13,249	22,683	35,932	32,323
Amounts in unrestricted net assets at August 31, 2009 and 2008	$ 3,042	$ 13,919	$ 16,961	$ 9,064
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2010 and 2009				
Actuarial gain	$ 681	$ 1,009	$ 1,690	$ 1,559
Prior service credit	(1,995)	(2,315)	(4,310)	(4,310)
Transition (asset) obligation	-	22	22	22

In 2009 and 2008, the effect of a 1% change in the health care cost trend rate is as follows (in thousands):

	2009			
	NYUHC		NYUSoM	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effective on total of service and interest cost components	$ 1,033	$ (816)	$ 1,561	$ (1,338)
Effect on postretirement benefit obligation	7,425	(6,058)	12,115	(9,855)

	(Unaudited) 2008			
	NYUHC		NYUSoM	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effective on total of service and interest cost components	$ 1,174	$ (929)	$ 1,715	$ (1,341)
Effect on postretirement benefit obligation	6,803	(5,560)	10,047	(8,208)

Plan Assets:

The plan's investment objectives seek a positive long-term total rate of return after inflation to meet the Medical Center's current and future plan obligations. The asset allocation for the plan combines tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and correlation between the returns of various asset classes. Medical Center management believes that 8.00% and 8.25% are reasonable long term rate of return on plan assets for 2009 and 2008, respectively, and will continue to evaluate the actuarial assumptions and adjust the assumptions as necessary.

NYUSoM's plan assets were primarily invested in cash as of August 31, 2009 and 2008. NYUHC does not have any plan assets.

Benefit Payments:

The following benefit payments (net of retiree contributions) and estimated gross amount of subsidy receipts, as appropriate, are expected as follows:

Estimated future benefit payments (in thousands):

	2009		
	NYUHC	**NYUSoM**	**NYULMC**
Year ending August 31			
2010	$ 1,896	$ 3,408	$ 5,304
2011	2,081	3,685	5,766
2012	2,237	3,970	6,207
2013	2,429	4,281	6,710
2014	2,638	4,567	7,205
Thereafter	17,447	28,083	45,530
	$ 28,728	$ 47,994	$ 76,722

Estimated gross amounts of subsidy receipts (in thousands):

	2009		
Year ending August 31	**NYUHC**	**NYUSoM**	**NYULMC**
2010	$ 233	$ 494	$ 727
2011	259	538	797
2012	289	583	872
2013	319	633	952
2014	352	684	1,036
Thereafter	2,344	4,292	6,636
	$ 3,796	$ 7,224	$ 11,020

10. Functional Expenses

Expenses by function related to the provision of health care services are as follows for the year ended August 31 (in thousands):

	2009				(Unaudited) 2008
	NYUHC	**NYUSoM**	**Eliminations**	**NYULMC**	**NYULMC**
Health care related services	$ 915,223	$ 305,736	$ -	$ 1,220,959	$ 1,171,583
General and administrative	345,113	779,226	(104,765)	838,304	961,603
	$ 1,260,336	$ 1,084,962	$ (104,765)	$ 2,240,533	$ 2,133,186

11. Related Organizations

The Medical Center shares various services with the University. The balance due to the University of $64.4 million includes $42.4 million of vendor invoices and $22.0 million relating to the University's share of the proceeds from the sale of a royalty payment stream.

12. Commitments and Contingencies

Litigation

The Medical Center is a defendant in various legal actions arising out of the normal course of its operations, the final outcome of which cannot presently be determined. Management is of the opinion that the ultimate liability, if any, with respect to all of these matters will not have a material adverse effect on the Medical Center's combining balance sheet.

Operating Leases

Future minimum lease payments under non-cancellable operating leases with initial or remaining terms of one year or more at August 31, 2009 consisted of the following (in thousands):

	NYUHC	NYUSoM	NYULMC
2010	$ 21,443	$ 19,506	$ 40,949
2011	20,132	18,583	38,715
2012	18,274	15,846	34,120
2013	15,409	9,926	25,335
2014	12,742	6,854	19,596
Thereafter	84,366	28,771	113,137
Total minimum lease payments	$ 172,366	$ 99,486	$ 271,852

Total rent expense for 2009 and 2008 was $48.4 million and $37.9 million (unaudited), respectively.

Other

The Hospitals Center is self-insured for workers' compensation benefits. In connection with being self-insured, the Hospitals Center has stand-by letters of credit aggregating approximately $12.1 million at August 31, 2009. Cash and marketable securities collateralize the letters of credit.

The Hospitals Center is self-insured, based on individual employees' elections for medical and pharmaceutical benefits. Liabilities have been accrued at August 31, 2009 based on expected future payments pertaining to such years.

13. Components of Temporarily and Permanently Restricted Net Assets

The Medical Center's portion of the University's endowment consist of approximately 576 individual funds established for a variety of purposes. As required by Generally Accepted Accounting Principles ("GAAP"), net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the University has interpreted the State of New York's enacted version of the Uniform Management of Instructional Funds Act ("UMIFA") as requiring the preservation of the historic dollar value of donor-restricted endowment funds (absent explicit donor stipulations to the contrary). The term historic dollar value is defined as the aggregate fair value in dollars of (i) an endowment fund at the time it became an endowment fund, (ii) each subsequent donation to the fund at the time it is made, and (iii) each accumulation made pursuant to the donor stipulations in the applicable gift instrument at the time the accumulation is added to the fund. As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanently restricted net assets (b) the original value of subsequent gifts to the permanent endowment (c) the net realizable value of future payments to permanently restricted net assets in accordance with the donor's gift instrument (outstanding endowment pledges net of applicable discount) and (d) appreciation (depreciation), gains (losses) and income earned on the fund when the donor states that such increases or decreases are to be treated as changes in permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets or unrestricted net assets, depending on donor stipulations.

The Board of Trustees further understands that expenditures from a donor-restricted fund is limited to the uses and purposes for which the endowment fund is established and the use of net appreciation, realized gains (with respect to all assets) and unrealized gains (with respect only to readily marketable assets) is limited to the extent that the fair value of a donor-restricted fund exceeds the historic dollar value of the fund (unless the applicable gift instrument indicates that net appreciation shall not be expended), to the extent that such expenditure is prudent, considering the long and short term needs of the Medical Center in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Temporarily restricted net assets are available for the following purposes at August 31, 2009 and 2008 (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NYUSoM**	**NYULMC**	**NYULMC**
Temporarily Restricted				
Contributions and earnings for operating purposes	$ 1,070	$ 128,986	$ 130,056	$ 158,075
Contributions for building and equipment	157,223	4,168	161,391	132,087
Annuity trust agreements	-	5,790	5,790	6,029
Scholarships and fellowships	-	1,376	1,376	1,362
Total	$ 158,293	$ 140,320	$ 298,613	$ 297,553

Permanently restricted net assets at August 31, 2009 are retained in perpetuity with investment return on the respective funds available to support the following activities (in thousands):

	2009			(Unaudited) 2008
	NYUHC	**NUYSoM**	**NYULMC**	**NYULMC**
Permanently Restricted				
Program Support	$ 8,746	$ 136,001	$ 144,747	$ 142,006
Faculty and staff salaries	-	56,867	56,867	56,737
Scholarships and fellowships	-	16,291	16,291	14,274
Library books	-	225	225	232
Research and sponsored programs	-	18,612	18,612	17,932
Building and equipment	-	1,853	1,853	1,907
Student loans	-	280	280	289
Total	$ 8,746	$ 230,129	$ 238,875	$ 233,377

14. Grants and Contracts

Grants and contracts revenue represents reimbursements of costs incurred in direct support of research activities. Additionally, such sponsored grants and contracts generally provide for the recovery of indirect costs supporting the research effort. Indirect costs, included in grants and contracts revenues, are recovered at rates established in advance by the Medical Center through negotiations with the Federal government and other private sponsors and amounted to $57.9 million and $54.6 million (unaudited) for the years ended August 31, 2009 and 2008, respectively.

15. Hospital Affiliations

NYUSoM has two affiliation agreements with the New York City Health and Hospitals Corporation (HHC) to provide general care and mental health services. One agreement is with Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center which terminates June 30, 2010. The other agreement is with Bellevue Hospital Center and Gouverneur Diagnostic and Treatment Center which terminates June 30, 2011.

16. Subsequent Events

The Medical Center performed an evaluation of subsequent events through December 7, 2009, which is the date the Combined Financial Statements were issued.

On November 5, 2009, the University (the obligors are the University and NYUSoM) issued $103.0 million of bonds (Series 2009) with an interest rate of 5.236%. The Series 2009 bonds mature serially through July 2032. The proceeds from the Series 2009 bonds will be used to refinance indebtedness incurred in connection with the construction and acquisition of certain University and NYUSoM buildings.

On November 6, 2009, the Dormitory Authority of the State of New York (DASNY) sold $402.4 million of revenue bonds (Series 2009A) on behalf of the University (the obligors are the University and NYUSoM). On November 25, 2009, DASNY sold $64.3 million of revenue bonds (Series 2009B) on behalf of the University (the obligors are the University and NYUSoM). Series 2009A and 2009B will close on December 10, 2009. The proceeds from the Series 2009A and 2009B bonds will be used to finance, refinance, or reimburse the costs of construction, acquisition, capital improvements and equipment relating to projects at various campus locations of both the University and NYUSoM.

Other Financial Information

NYU Langone Medical Center
(A Component of New York University)
Combining Balance Sheets
August 31, 2009

	NYU Hospitals Center	CCC550	NYUHC Eliminations	NYUHC	NYUSOM	NYULMC Eliminations	NYULMC
Assets							
Current assets							
Cash and cash equivalents	$ 224,222	$ -	$ -	$ 224,222	$ 76,372	$ -	$ 300,594
Marketable securities	4,140	-	-	4,140	125,566	-	129,706
Assets limited as to use	6,441	-	-	6,441	3,733	-	10,174
Patient accounts receivable, less allowances for uncollectibles (2009 $58,242)	173,813	-	-	173,813	36,485	-	210,298
Contribution receivable, current	43,147	-	-	43,147	61,173	-	104,320
Other accounts receivables	-	-	-	-	29,723	-	29,723
Insurance receivables – billed	-	86,417	(53,326)	33,091	-	-	33,091
Due from related organizations	-	-	-	-	8,375	(8,375)	-
Inventories	19,297	-	-	19,297	-	-	19,297
Other current assets	44,531	1,451	-	45,982	6,323	-	52,305
Total current assets	515,591	87,868	(53,326)	550,133	347,750	(8,375)	889,508
Marketable securities	16,309			16,309	668,817	-	685,126
Assets limited as to use	95,787	143,160	-	238,947	-	-	238,947
Contributions receivable – long term	88,250	-	-	88,250	17,816	-	106,066
Other assets	40,232	-	(22,521)	17,711	45,843	-	63,554
Deferred financing costs	11,260	-	-	11,260	1,793	-	13,053
Property, plant and equipment – net	560,938	-	-	560,938	385,446	-	946,384
Total assets	$ 1,328,367	$ 231,028	$ (75,847)	$ 1,483,548	$ 1,467,465	$ (8,375)	$ 2,942,638
Liabilities and net assets							
Current liabilities							
Current portion of long-term debt	$ 21,017	$ -	$ -	$ 21,017	$ 3,210	$ -	$ 24,227
Accounts payable and accrued expenses	116,555	519	-	117,074	76,020	-	193,094
Accrued salaries and related liabilities	42,556	-	-	42,556	30,181	-	72,737
Accrued interest payable	1,597			1,597	1,028	-	2,625
Deferred revenue	-	45,699	(37,012)	8,687	34,497	-	43,184
Due to related organizations, net	8,375	-	-	8,375	53,321	(8,375)	53,321
Other current liabilities	38,961	-	-	38,961	166	-	39,127
Total current liabilities	229,061	46,218	(37,012)	238,267	198,423	(8,375)	428,315
Long-term debt, less current portion	437,685			437,685	266,355		704,040
Outstanding losses and loss adjustment expenses	-	162,289	-	162,289	-	-	162,289
Accrued pension liabilities	64,676	-	-	64,676	34,037	-	98,713
Accrued postretirement liabilities	47,968	-	-	47,968	58,760	-	106,728
Due to related organizations, net	-	-	-	-	11,000	-	11,000
Other liabilities	148,453	-	(16,314)	132,139	22,302	-	154,441
Total liabilities	927,843	208,507	(53,326)	1,083,024	590,877	(8,375)	1,665,526
Net assets							
Unrestricted	233,485	22,521	(22,521)	233,485	506,139	-	739,624
Temporarily restricted	158,293	-	-	158,293	140,320	-	298,613
Permanently restricted	8,746	-	-	8,746	230,129	-	238,875
Total net assets	400,524	22,521	(22,521)	400,524	876,588	-	1,277,112
Total liabilities and net assets	$ 1,328,367	$ 231,028	$ (75,847)	$ 1,483,548	$ 1,467,465	$ (8,375)	$ 2,942,638

NYU Langone Medical Center
(A Component of New York University)
Combining Statements of Operations
August 31, 2009

	NYU Hospitals Center	CCC550	Eliminations	NYUHC	NYUSoM	NYULMC Eliminations	NYULMC
Operating revenue							
Net patient service revenue	$ 1,297,513	$ -	$ -	$ 1,297,513	$ 335,822	$ (28,435)	$ 1,604,900
Hospital Affiliations	-	-	-	-	209,124	-	209,124
Grants and sponsored programs	2,554	-	-	2,554	200,568	-	203,122
Tuition	-	-	-	-	32,401	-	32,401
Premiums earned	-	63,894	(38,138)	25,756	-	-	25,756
Contributions	4,943	-	-	4,943	41,302	-	46,245
Endowment distribution and return on short-term investments	14	(12,583)	-	(12,569)	20,134	-	7,565
Other revenue	58,721	-	(15,502)	43,219	134,758	(76,330)	101,647
Net assets released from restrictions for operating purposes	10,300	-	-	10,300	22,863	-	33,163
Total operating revenue	1,374,045	51,311	(53,640)	1,371,716	996,972	(104,765)	2,263,923
Operating expenses							
Salaries and wages	496,629	-	-	496,629	631,684	(57,226)	1,071,087
Employee benefits	146,503	-	-	146,503	138,243	(8,069)	276,677
Supplies and other	527,597	35,809	(38,138)	525,268	250,356	(39,470)	736,154
Depreciation and amortization	42,666	-	-	42,666	43,401	-	86,067
Interest	22,780	-	-	22,780	16,258	-	39,038
Patient care bad debt expense	26,490	-	-	26,490	5,020	-	31,510
Total operating expenses	1,262,665	35,809	(38,138)	1,260,336	1,084,962	(104,765)	2,240,533
Gain (loss) from operations	111,380	15,502	(15,502)	111,380	(87,990)	-	23,390
Other items							
Loss on refinancing of debt	-	-	-	-	(4,245)	-	(4,245)
Loss on disposals of property, plant and equipment	(3,456)			(3,456)	(1,455)		(4,911)
Investment return less than endowment distribution, net	(8,014)		-	(8,014)	(104,667)	-	(112,681)
Excess (deficiency) of revenue over expenses	99,910	15,502	(15,502)	99,910	(198,357)	-	(98,447)
Other changes in unrestricted net assets							
Changes in pension and postretirement obligations	(44,859)	-	-	(44,859)	(33,270)	-	(78,129)
Contributions for capital asset acquisitions	-	-	-	-	700	-	700
Net assets released from restrictions for capital purposes	8,440	-	-	8,440	1,317	-	9,757
Transfer of Equity	(2,900)	-	-	(2,900)	2,900	-	-
Net increase (decrease) in unrestricted net assets	$ 60,591	$ 15,502	$ (15,502)	$ 60,591	$ (226,710)	$ -	$ (166,119)