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(in thousands of dollars)

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Tuition and fees, net of scholarships								
of $85,006 in 2018 and $75,379 in 2017 (Note 13)	$ 102,747	$ -	$ -	$ 102,747	$ 98,299	$ -	$ -	$ 98,299
Grants and contracts	3,473	-	-	3,473	2,779	-	-	2,779
Contributions	7,150	-	-	7,150	9,109	-	-	9,109
Investment support utilized	28,619	-	-	28,619	24,164	-	-	24,164
Interest income	560	-	-	560	697	-	-	697
Auxiliary enterprises	17,236	-	-	17,236	17,084	-	-	17,084
Other revenue	13,778	-	-	13,778	15,741	-	-	15,741
Gain on sale of properties	-	-	-	-	61,568	-	-	61,568
Net assets released from restrictions (Note 14)	29,130	-	-	29,130	30,557	-	-	30,557
Total operating revenues	202,693	-	-	202,693	259,998	-	-	259,998
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Instruction	88,656	-	-	88,656	94,666	-	-	94,666
Research and training	3,497	-	-	3,497	3,655	-	-	3,655
Academic support	41,530	-	-	41,530	36,348	-	-	36,348
Student services	24,350	-	-	24,350	23,829	-	-	23,829
Institutional support	56,593	-	-	56,593	57,739	-	-	57,739
Auxiliary enterprises	12,529	-	-	12,529	13,153	-	-	13,153
Total operating expenses (Note 12)	227,155	-	-	227,155	229,390	-	-	229,390
Change in operating activities	(24,462)	-	-	(24,462)	30,608	-	-	30,608
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Contributions, net	-	17,278	8,618	25,896	-	17,247	6,944	24,191
(Provision)/recovery for uncollectible contribution receivables	-	(50)	(19,706)	(19,756)	-	717	1,895	2,612
Net assets released from restrictions and reclassifications (Note 14)	(2,329)	(26,807)	6	(29,130)	(1,713)	(29,170)	326	(30,557)
Net investment return (Note 4)	7,166	29,598	367	37,131	9,069	42,254	540	51,863
Investment support utilized	(5,024)	(23,595)	-	(28,619)	(3,058)	(21,106)	-	(24,164)
Other revenue and transfers	-	303	(24)	279	26	2	3,133	3,161
Subsidy of unconsolidated organization (Note 6)	(1,446)	-	-	(1,446)	(1,603)	-	-	(1,603)
Extinguishment on debt	-	-	-	-	(15,975)	-	-	(15,975)
Other expenses	-	-	-	-	(4,113)	(39)	(4)	(4,156)
Change in net assets from nonoperating activities	(1,633)	(3,273)	(10,739)	(15,645)	(17,367)	9,905	12,834	5,372
Change in net assets	(26,095)	(3,273)	(10,739)	(40,107)	13,241	9,905	12,834	35,980
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Beginning of year	(12,125)	199,840	439,873	627,588	(25,366)	189,935	427,039	591,608
End of year	$ (38,220)	$ 196,567	$ 429,134	$ 587,481	$ (12,125)	$ 199,840	$ 439,873	$ 627,588

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

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Yeshiva University (the “University”) is a private, nonprofit institution of higher education primarily

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

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The University is a not-for-profit corporation described in Internal Revenue Code Section 501(c) (3) and is generally exempt from federal income taxes on related income under Internal Revenue Code Section 501(a). Accordingly, no provision for federal income tax has been recorded in the consolidated financial statements. The University is also exempt from New York income taxes under the related state provisions. The University is subject to the unrelated business income tax on revenue generated by activities unrelated to its tax-exempt

included in operating revenues consist of appropriated endowment spending on pooled endowed funds and investment income on nonendowed funds, as well as nonpooled endowed funds, that were used to support operating activities in accordance with the University's endowment spending policy (Note 5). Gain on sale of properties included in operating revenues consists of the net proceeds from the sale of certain University owned assets which were sold during fiscal year 2017. Operating revenues also include the release of temporarily restricted net assets which include prior year contributions for which the donor-specified conditions have been met.

The University has defined nonoperating activities to principally include net investment return less investment return utilized to support current year operating activities in accordance with the University's endowment spending rate policy (Note 5), temporarily and permanently restricted contributions, temporarily restricted net assets released from restriction, changes in value of split-interest agreements, provision for uncollectible contributions receivable, and subsidy of unconsolidated organizations. Certain other gains, losses or changes in net assets related to transactions considered to be of an unusual or nonrecurring nature are also included in nonoperating activities.

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Tuition and fees are derived from degree and continuing education programs. The University recognizes tuition and fee revenues as operating income in the period in which they are earned. Tuition and fee receipts received in advance are recorded as ď Tuiti aᵠs ή ʿ naᴰ ŧaᶇ5 ᴺ ěan ᴺ-t

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

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

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

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

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

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The University's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts for which the University serves as trustee. The fair value of trusts and splitassets of perpetual trusts and agreements are recorded as increases or decreases in permanently restricted net assets.

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

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

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Funds provided by the U.S. Gov

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(in thousands of dollars)

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Certain previously reported amounts in the fiscal 2017 consolidated financial statements have been

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

The Investment Oversight Committee of the Board of Trustees oversees the University’s investment strategy for the LTPool in accordance with established guidelines, which cover, among other criteria, asset allocation, diversification, liquidity and performance return objectives. The overall investment objective of the University is to invest the LTPool in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion

Details on liquidity, restrictions by strategy and type of investment are provided below as of June 30, 2018 and 2017:

Details on unfunded commitments by investment strategy are provided below as of June 30, 2018 and 2017:

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Marketable alternatives				
Multi-strategy/event driven	$ 21,000	$ -	$ -	$ 21,000
Equities				
Long-short equities	15,000	-	-	15,000

(in thousands of dollars)

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In fiscal 2018, investment support appropriated from the LTPool was $30,807, inclusive of appropriation from endowments of $25,985, of which $28,619 was utilized. In fiscal 2017, investment support appropriated from the LTPool was $26,432, inclusive of appropriation from endowments of $23,686, of which $24,164 was utilized.

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The University's endowment consists of approximately 1,200 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University classifies as permanently restricted net assets: (a) the original value of contributions donated to the permanent endowment, (b) the original value of subsequent contributions to the permanent endowment, and (c) accumulations to the permanent endowment required by the applicable donor gift instrument. Appreciation related to donor-restricted endowment funds is classified as temporarily restricted net assets and reclassified as unrestricted net assets when those amounts are appropriated for expenditure and utilized.

The following represents the University's endowment net asset composition by type of fund as of June 30, 2018 and 2017:

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Donor-restricted endowment funds	$ (10,060)	$ 131,532	$ 385,792	$ 507,264
Board-designated endowment funds	4,123	3,458	-	7,581
Total endowment net assets	$ (5,937)	$ 134,990	$ 385,792	514,845
Other investments, net				73,059
Total investments				$ 587,904

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Donor-restricted endowment funds	$ (10,667)	$ 127,581	$ 381,169	$ 498,083
Board-designated endowment funds	4,061	4,036	-	8,097
Total endowment net assets	$ (6,606)	$ 131,617	$ 381,169	506,180
Other investments, net				100,553
Total investments				$ 606,733

(in thousands of dollars)

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(QGRZPHQW QHW DVVHWV DW$-XQH	(6,606)	$ 131,617	$ 381,169	$ 506,180
Endowment income, net of expenses	24	2,956	32	3,012
Net realized and unrealized gains (losses) on endowments	239	27,237	311	27,787
Net endowment return	263	30,193	343	30,799
Contributions	-	181	4,505	4,686
Appropriation of endowment assets per spending policy	(202)	(25,520)	(263)	(25,985)
Transfers, withdrawals and other changes	-	(873)	38	(835)
Reclassifications	608	(608)	-	-
(QGRZPHQW QHW DVVHWV DW$-XQH	(5,937)	$ 134,990	$ 385,792	$ 514,845

Changes in endowment net assets for the year ended June 30, 2017 were as follows:

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(QGRZPHQW QHW DVVHWV DW$-XQH	(9,401)	$ 114,987	$ 372,647	$ 478,233
Endowment income, net of expenses	18	2,106	23	2,147
Net realized and unrealized gains (losses) on endowments	377	42,784	490	43,651

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(Q	$	114,	$	372,	$

ordinarily prudent person in a like position would exercise under similar circumstances." It further provides a requirement that the institution "shall consider, if relevant" the following eight factors in deciding whether or not to appropriate from a fund:

The duration and preservation of the endowment fund

The purposes of the Institution and the endowment fund

General economic conditions

The possible effect of inflation or deflation

The expected total return from income and the appreciation of investments

Other resources of the Institution

Alternatives to expenditure of the endowment fund

The investment policy of the Institution

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

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

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

The University's spending policy is consistent with the University's objectives to utilize income to support mission-critical programs while preserving capital and] apital ngapital ᴰM Ó ® ή

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From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below its original value. Deficiencies of this nature approximated $10,060 and $10,667 as of June 30, 2018 and 2017, respectively.

The Manhattan Campuses had a balance of prior borrowings from the LTPool utilized to fund operations of $12,773 and $11,971 at June 30, 2018 and 2017, respectively. This amount included gains of $802 and $1,128 in fiscal 2018 and 2017, respectively, and is reported as a reduction to the investment balance in the Consolidated Statements of Financial Position as of June 30, 2018 and 2017. AECOM, Inc.'s share of this borrowing amounted to $5,109 out of the $12,773 for fiscal 2018, which is included in investments held for AECOM, Inc. In accordance with the Joint Collaboration Agreement, the Univ

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(in thousands of dollars)

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

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Federal revolving loans	$ 6,830	$ (1,312)	$ 5,518	
Institutional loans	31,474	(7,108)	24,366	
Accrued interest	5,349	(3,904)	1,445	
Total student loan receivables	43,653	(12,324)	31,329	
Total student tuition receivables	9,195	(5,849)	3,346	
Total student receivables	$ 52,848	$ (18,173)	$ 34,675	

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Depreciation and amortization expense related to buildings and equipment for the years ended June 30, 2018 and 2017 was $12,972 and $13,211, respectively. The University wrote off fully depreciated assets of $1,953 and $3,448 during the years ended June 30, 2018 and 2017, respectively.

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In connection with the Joint Collaboration Agreement (Note 3), substantially all 1199 union employees of Einstein were hired by AECOM, Inc. As a result, the Transaction did not result in any withdrawal liability for the University. As required by ERISA, in the event that AECOM, Inc. withdraws from the plan during the first five years and fails to pay its withdrawal liability, the University will be secondarily liable. AECOM, Inc. has assumed !

a. In September 2011, DASNY issued $90,000 of Revenue Bonds Series 2011A (Series 2011A Bonds) on behalf of the University. The Series 2011A Bonds bear interest rates ranging from 4% to 5% with principal payments due at various dates commencing November 1, 2014, and a final maturity date of November 1, 2040. The Series 2011A Bonds are general unsecured obligations of the University; no security interest or mortgage encumbering University revenues or assets was granted in connection with the issuance of the Series 2011A Bonds. A portion of the proceeds of the Series 2011A Bonds was used for the payment of, or to reimburse the University for the payment of, certain capital expenditures and to reimburse $20,500 on a line of credit. A portion of the Series 2011A Bon

(in thousands of dollars)

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

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2019	$	6,528	$	13,486	$	20,014
2020		5,272		13,207		18,479
2021		5,725		12,924		18,649
2022		8,151		12,504		20,655
2023		8,547		12,113		20,660
Thereafter		261,041		75,669		336,710
		295,264	$	139,903	$	435,167
Unamortized premium		240				
Unamortized issuance costs		(4,702)				
Total projected debt service payments	$	290,802				

(in thousands of dollars)

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Instruction	$	73,940	$	9,426	$	4,581	$	6,719	$	94,666

(in thousands of dollars)

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Permanently restricted net assets at June 30, 2018 and 2017 includes endowments, pledges, and loans and were available for the following purposes:

Academic chairs and support	$ 55,088	$ 55,088
Capital projects	6,055	6,055
Faculty scholars and fellowships	14,708	14,458
Instruction and training and lectureships	65,801	66,016
Library	2,616	2,616
Other	15,588	13,459
Research	4,997	4,967
Revolving fund for special projects	59,649	74,695
Student loans	14,899	14,397
Student scholarships	170,416	168,721
Trusts held by others in perpetuity	4,504	4,658
Unrestricted	14,813	14,743
	$ 429,134	$ 439,873

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

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

The actions of Bernard Madoff, and J. Ezra Merkin and Ascot Partners, discussed in the 2013 consolidated financial statements' Note 8 (Contingencies), led to the appointment of a trustee and receiver, respectively, for Bernard Madoff's, J. Ezra Merkin's and Ascot Partners' assets. In August 2014, the University received a payment under the settlement negotiated by the New York State Attorney General with J. Ezra Merkin and Ascot Partners. The University has also filed a claim under the Madoff Victims Fund of the U.S. Attorney General, and has been notified that its claim has been approved, but there can be no assurance that the University will receive any recoveries from that fund. The Madoff Trustee sued the University, seeking to recover approximately $1,000 contributed by Bernard Madoff to the University across a six-year period, prior to 2008. During fiscal 2014, the University and the Madoff Trustee resolved the suit by

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Subsequent event guidance requires the University to evaluate subsequent events to determine